



REGULAR MEETING AGENDA

Date: 3/21/2016
Time: 7:00 p.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

A. Call To Order

B. Roll Call

C. 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.

D. Public Comment

Under “Public Comment,” the public may address the Commission on any subject not listed on the agenda, and items listed under Consent Calendar. Each speaker may address the Commission once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The Commission cannot act on items not listed on the agenda and, therefore, the Commission cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

E. Consent Calendar

E1. Approval of minutes from the February 8, 2016 Planning Commission meeting. ([Attachment](#))

E2. Approval of minutes from the February 22, 2016 Planning Commission meeting. ([Attachment](#))

F. Public Hearing

F1. Use Permit/Brian Watkins/276 Marmona Drive:

Request for a use permit to remodel and add approximately 539 square feet to a nonconforming single-story residence in the R-1-U (Single-Family Urban) zoning district. The proposed expansion and remodel would exceed 75 percent of the existing replacement value in a 12-month period. As part of the project, two heritage trees, a flowering pear and a crepe myrtle in the right side yard, are proposed for removal. ([Staff Report #16-019-PC](#))

F2. Use Permit Revision/Intersect ENT/1555 Adams Drive:

Request for a revision to a use permit, previously approved in April 2015, to modify the location of the liquid nitrogen storage tank from inside the building to an exterior equipment enclosure in the M-2 (General Industrial) zoning district. Hazardous materials are currently used and stored at the site for the research and development, and production of medical technologies for use in treating

ear, nose, and throat patients, located at an existing building. At this time the applicant is not requesting to modify the types and quantities of hazardous materials. ([Staff Report #16-020-PC](#))

- F3. Use Permit/Antheia, Inc./1505 O'Brien Drive Suite B:
Request for a use permit for the storage and use of hazardous materials for the research and development of small molecules for the treatment of a range of ailments including hypertension, cancer, and viral, bacterial, and protozoan infections located within an existing building in the M-2 (General Industrial) zoning district. All hazardous materials would be used and stored within the building. ([Staff Report #16-021-PC](#))
- F4. Draft Infill Environmental Impact Report (EIR) Public Hearing/Greenheart Land Company/Station 1300 Project (1258-1300 El Camino Real, 550-580 Oak Grove Avenue, and 540-570 Derry Lane)
Public hearing to receive public comments on the Draft Infill EIR for the Station 1300 project, also known as the 1300 El Camino Real project. The Draft Infill EIR prepared for the project identifies environmental effects at a less than significant level without mitigation in the following categories: Noise (Operational). The Draft Infill EIR identifies potentially significant environmental effects that can be mitigated to a less than significant level in the following categories: Air Quality (Construction) and Hazardous Materials. The Draft Infill EIR identifies potentially significant environmental effects that are significant and unavoidable in the following category: Transportation and Traffic. The following categories were previously identified as requiring no further analysis in an earlier Infill Environmental Checklist, due to being analyzed in a prior EIR and/or being substantially mitigated by uniformly applicable development policies: Agricultural and Forestry Resources, Air Quality (Operational), Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hydrology/Water Quality, Land Use and Planning, Mineral Resources, Noise (Construction), Population and Housing, Public Services, and Utilities and Service Systems. The Infill Environmental Checklist is included as an Appendix of the Draft Infill EIR. The California Environmental Quality Act (CEQA) requires this notice to disclose whether any listed hazardous waste sites are present at the location. The project location does contain a hazardous waste site included in a list prepared under Section 65962.5 of the Government Code. The Hazardous Materials section of the Draft Infill EIR discusses this topic in more detail. Written comments on the Draft Infill EIR may also be submitted to the Community Development Department no later than 5:30 p.m., Monday, April 4, 2016. ([Staff Report #16-022-PC](#))

G. Study Session

- G1. Study Session/Greenheart Land Company/Station 1300 Project (1258-1300 El Camino Real, 550-580 Oak Grove Avenue, and 540-570 Derry Lane)
Study session to receive comments on the Station 1300 proposal (also known as the 1300 El Camino Real project) to redevelop a multi-acre site on El Camino Real and Oak Grove Avenue with up to 217,000 square feet of non-residential uses and up to 202 dwelling units. The study session will allow Planning Commissioners and the public to provide feedback on the overall project, including the proposed Public Benefit ([Staff Report #16-022-PC](#)).

H. Informational Items

- H1. Future Planning Commission Meeting Schedule – The upcoming Planning Commission meetings

are listed here, for reference. No action will be taken on the meeting schedule, although individual Commissioners may notify staff of planned absences.

- Regular Meeting: April 11, 2016
- Regular Meeting: April 18, 2016
- Regular Meeting: May 2, 2016

I. Adjournment

Agendas are 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 www.menlopark.org and can receive e-mail notification of agenda and staff report postings by subscribing to the "Notify Me" service at menlopark.org/notifyme. Agendas and staff reports may also be obtained by contacting the Planning Division at 650-330-6702. (Posted: 3/17/16)

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 public record (subject to any exemption under the Public Records Act) and is available for inspection at the City Clerk's Office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours.

Persons with disabilities, who require auxiliary aids or services in attending or participating in Commission meetings, may call the City Clerk's Office at 650-330-6620.



Regular Meeting Minutes - DRAFT

Date: 2/8/2016
Time: 7:00 p.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

A. Call To Order

Chair John Onken called the meeting to order at 7:01 p.m.

B. Roll Call

Present: Combs, Ferrick, Goodhue, Kadvany, Kahle, Onken (Chair), Strehl (Vice Chair)

Absent: None

Staff: Thomas Rogers, Principal Planner; Corinna Sandmeier, Associate Planner; Kyle Perata, Senior Planner; Tom Smith, Associate Planner

C. Reports and Announcements

Principal Planner Thomas Rogers reported that the City Council at its February 9, 2016 meeting would consider an informational item on a water supply assessment process that was underway for ConnectMenlo and Facebook projects; an appeal of the imposition of a Transportation Impact Fee by the Bright Angel preschool on Bay Road whose use permit was approved by the Planning Commission previously; and a potential schedule adjustment for the ConnectMenlo project to possibly include more topic area discussions.

Commissioner Katherine Strehl said with a proposed schedule change for ConnectMenlo there might be a Saturday meeting to provide information. She said public feedback had been that the volume of information was such that people needed more time to consider everything that was being proposed. Principal Planner Rogers noted that there might be one meeting on the weekend or a series of weeknight meetings with a revised schedule.

D. Public Comment

There was none.

E. Consent Calendar

- E1. Approval of minutes from the January 11, 2016 Planning Commission meeting. ([Attachment](#))

Chair Onken said there were suggested edits received from Commissioners Susan Goodhue and John Kadvany.

Commissioner Katie Ferrick moved to approve the January 11 meeting minutes with the suggested revisions. Commissioner Strehl seconded the motion.

ACTION: Motion and second (Ferrick/Strehl) to approve the minutes with the following modifications; passes 6-0 with Commissioner Goodhue abstaining.

- Page 1, under “Reports and Announcements”, 1st paragraph, 2nd line: Replace “Encinal Drive” with “Encinal Avenue”
- Page 1, under “Reports and Announcements”, 2nd paragraph, 1st line: Replace “Encinal Drive” with “Encinal Avenue”
- Page 1, under “Reports and Announcements”, 4th paragraph, last line: Replace “Commissioner” with “Commission”
- Page 3, 1st paragraph, 1st line: Replace “roof” with “roof styles”
- Page 4, 9th paragraph, 3rd line: Replace “bum pouts” with “bumps outs”
- Page 8, 8th paragraph, 2nd line: Insert “garage” after “...prominence of the”

E2. Architectural Control/Chris Hall/1029 El Camino Real: Request for architectural control to allow modifications to the façade of an existing commercial building in conjunction with a restaurant use in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The existing second floor would be reconfigured to include a dining area, but the gross floor area for the building would not increase as part of the project. ([Staff Report #16-006-PC](#))

Commissioner John Kadvany pulled the item from the consent agenda. He noted the outdoor heating elements and asked if there was outdoor dining. Mr. Chris Hall, project architect, said the heating was for the comfort of customers who might need to stand in line waiting to be seated.

Commissioner Larry Kahle asked what the difference was between the existing sign on the property and the new sign. Mr. Hall said there was a design for a blade sign to be visible to traffic coming in both directions on El Camino Real.

Chair Onken asked if there was any public comment. There was not.

Chair Onken moved to approve the item as recommended. Commissioner Susan Goodhue seconded the motion.

ACTION: Motion and second (Onken/Goodhue) to approve the item as recommended in the staff report, passes 7-0.

1. Make findings with regard to the California Environmental Quality Act (CEQA) that the proposal is within the scope of the project covered by the El Camino Real/Downtown Specific Plan Program EIR, which was certified on June 5, 2012. Specifically, make findings that:
 - a. The project is categorically exempt under Class 1 (Section 15301, “Existing Facilities”) of the current CEQA Guidelines.
 - b. Relevant mitigation measures have been incorporated into the project through the Mitigation Monitoring and Reporting Program (Attachment F), which is approved as part of this finding.
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, as verified in detail in the Standards and Guidelines Compliance Worksheet (Attachment E).
3. Approve the architectural control subject to the following **standard** conditions:
- a. Development of the project shall be substantially in conformance with the plans provided by Eaton Hall Architecture, consisting of seven plan sheets, dated received February 1, 2016, and approved by the Planning Commission on February 8, 2016 except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. Prior to building permit issuance, the applicants shall comply with all Sanitary District, Menlo Park Fire Protection District, Recology, 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. 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.
 - e. Prior to commencing any construction activities in the public right-of-way or public easements, including, but not limited to, installation of the proposed canopy over the public sidewalk, the applicant shall obtain an encroachment permit for review and approval of the Engineering Division.
4. Approve the architectural control subject to the following **project-specific** conditions:
- a. Simultaneous with the submittal of a complete building permit application, the applicant shall submit revised plans showing rooftop mechanical installations are screened from view from publicly accessible spaces, subject to review and approval of the Planning Division.
 - b. Any citation or notification of violation by the California Department of Alcoholic Beverage Control or other agency having responsibility to assure public health and safety for the sale of alcoholic beverages will be grounds for considering revocation of the architectural control.

- c. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans showing a cover over the existing trash enclosure in the adjacent private parking lot located at the southeast corner of Menlo Avenue and Johnson Lane, subject to review and approval of the Planning Division and Engineering Division.

F. Public Hearing

- F1. Use Permit/Andrea Henry/605 Cotton Street:
Request for a use permit to demolish an existing single-story, single-family residence and build a two-story, single-family residence with a basement on a substandard lot with regard to width in the R-1-S (Single Family Suburban) zoning district. In addition, one heritage fruitless mulberry tree (16.2-inch diameter), in poor condition, at the left side of the property would be removed. ([Staff Report #16-008-PC](#))

Staff Comment: Associate Planner Tom Smith said staff had no additions to the written report.

Applicant Comment: Ms. Peony Quan, opq Design, introduced the property owners, Andrea and Brian Henry, and noted neighbors in attendance in support of the project. She said the existing single-story ranch house was built in the 1950s and that the existing house and guest house both intruded into the side setback. She said their proposal would bring the structures into compliance with side yard setback requirements. She said the project would be a stucco home with anodized aluminum windows. She said rectangular pavers with gray stained wood detailing would be used in the front. She noted in working with Planning staff that they decided to change the garage door to a gray stained wood door.

Ms. Andrea Henry, property owner, said they had spoken with their neighbors about the design. She said it was contemporary, but restrained.

Commissioner Strehl said the garage protruded from the front of the house and asked how far. Ms. Quan said about four and a half feet.

Chair Onken said the rendering did not show the roof slope. Ms. Quan said the roof pitch was quite gentle. She said the slope was shown on the second rendering where the high point of the house was at the rear of the property sloping down toward the front. Chair Onken said the rendering indicated the roof would be about four inches thick. Ms. Quan said it should show an eight inch projection. Chair Onken said the windows seemed to go up to the soffit and he suggested that in reality there would be something above the windows. Ms. Quan said the windows would go as high as possible to the junction.

Commissioner Kahle asked if they had considered any other roof lines besides the shed roof. Ms. Quan said originally they had considered a flat roof and decided on a bit of a slope as that was more preferable to the property owners. She said they did not want anything to raise the height of the house.

Chair Onken opened the public hearing. There being no speakers, he closed the hearing.

Commission Comment: Commissioner Ferrick said she appreciated the side setbacks being brought into conformance. She said generally the screening between properties was good for privacy except for a gap between the subject property and 619 Cotton Street. She asked if they would be amenable to planting some type of vegetation screening in that area.

Ms. Quan said they definitely supported lush landscaping and trees to protect privacy.

Commissioner Kahle said he understood they were seeking the minimal aesthetic but he thought it was boxy and there was too much mass with the second story side walls.

Commissioner Ferrick said it seemed the applicants were using high quality materials for their windows and garage door. She asked the applicants to address their architectural intent.

Ms. Quan said they definitely were not interested in a more minimal developer approach to a stucco building. She said the structure would be as refined as possible and noted that stucco was a good ecological material. She said they would use four simple materials in a restrained and not overly complex way which would work well with the landscaping and the neighborhood.

Chair Onken said bedroom 3 in the rear had a large window looking directly across the property line, and asked what the views were. Ms. Quan said along that side of the house they were planning to have a row of trees that would be at least 10-feet in height.

Commissioner Andrew Combs said for the record that staff brought up two items with the applicants including the garage panel door and that the garage protruded from the front of the house, and the right side setback and elevation. He asked what changes they had considered based on staff's recommendations. Ms. Quan said they changed the garage door to a wood door and raised it to nine-feet in height as staff had indicated it looked too squat. She said they wanted to show on the right side the vegetation as well as the wood fence that would run the length of that side as well as the windows to break up the expanse of stucco.

Chair Onken said he thought the home would look better than what the renderings indicated. He said it was unfortunate to have a double garage door at the street but he could support the project as proposed.

Commissioner Ferrick noted the side setbacks were more than 10-foot in width. She said she could approve with a condition to provide screening between this subject property and 619 Cotton Street.

Commissioner Kahle said he thought the project design needed more refining and that it would look boxy when built. He said the massing of the second story walls needed attention.

Commissioner Combs said that the prominence of the garage was usually what the Commission did not support and that was not addressed with changing the type of garage door and staining it gray.

Commissioner Strehl said she did not know what could be done to change the garage that would not also impact the design of the house.

Chair Onken said Cotton Street has spectacular homes. He said the Commission typically did not support prominent front facing garages. He asked if there was some modulation of the second story that could occur noting the expanse of the second story front façade. Ms. Quan said they were open to different garage door materials. She said they did not see a problem with the one plane of the second story front façade as the mass was broken with wood details and different sized windows. She said they could consider slight projections of the windows where the bathrooms were as that would not affect the interior. She said houses along this street repeated a

front façade of the entry door and the garage.

Commissioner Ferrick said she had intended to move approval to include a condition for additional landscape screening. Commissioner Strehl seconded the motion.

Commissioner Kahle said the right-side elevation was a second story wall with no modulation, and he was not able to support the project.

Associate Planner Smith asked if the landscape screening being required by condition would be reviewed and approved through staff review. Principal Planner Rogers noted that there were two trees on the left side intended for removal and asked if the landscape screening condition should apply there as well. Commissioner Ferrick said that the additional landscape screening would be for both the left and right sides subject to review and approval of staff.

ACTION: Motion and second (Ferrick/Strehl) to approve the item with the following modification, passes 4-3 with Commissioners Kadvany, Kahle and Onken opposed.

1. Make a finding that the project is categorically exempt 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 OPQ Design, consisting of 17 plan sheets, dated received on January 25, 2016, and approved by the Planning Commission on February 8, 2016, 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.

4. *Approve the architectural control subject to the following project-specific conditions:*

- a. *Simultaneous with the submittal of a complete building permit application, the applicant shall provide a landscape plan indicating new screening trees to be planted along the right and left side yards. The proposed trees shall be located to help screen the two-story wall and second-story windows on the right side of the residence, and to help screen the large stairwell window and promote privacy for the adjacent left-side property. The proposed landscape plan shall be subject to the review and approval of the Planning Division.*

F2. Use Permit/Amin Ahmadi/427 Bay Road:

Request for a use permit for an addition to, and remodeling of, an existing, nonconforming one-story, single-family residence on a lot in the R-1-U (Single-Family Urban) zoning district. The value of the work would exceed 75 percent of existing replacement value in a 12-month period.

Item continued to a future meeting.

F3. Use Permit Revision/InVisage Technologies, Inc./990 Hamilton Avenue:

Request for a revision to a use permit, previously approved in July 2011, for the indoor storage and use of hazardous materials for the research and development of novel semiconductor materials and devices in the M-2 (General Industrial) zoning district. ([Staff Report #16-009-PC](#))

Staff Comment: Senior Planner Kyle Perata said staff had no additions to the staff report.

Commissioner Combs recused himself due to a potential conflict of interest.

Applicant Presentation: Mr. Remi Lacombe, InVisage Technologies, said they would be staying in the same facility for another year or two but were changing some of the chemical inventory they use and store.

Chair Onken opened the public hearing. There being no speakers, he closed the hearing.

Commission Comment: Chair Onken said as there were no comments, he moved to approve as recommended in the staff report. Commissioner Goodhue seconded the motion.

ACTION: Motion and second (Onken/Goodhue) to approve the item as recommended in the staff report, passes 6-0 with Commissioner Combs recused.

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 Green Environment, Inc., consisting of five plan sheets, dated received January 28, 2016, and approved by the Planning Commission on February 8 2016 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.

F4. Use Permit/Henry Riggs/210 McKendry Drive:

Request for a use permit to add a second floor, as well as conduct interior modifications, to a single-family residence that would exceed 50 percent of the replacement value of the existing nonconforming structure in a 12-month period. The proposal would also exceed 50 percent of the existing floor area and is considered equivalent to a new structure. The subject parcel is located on a substandard lot in the R-1-U (Single-Family Urban) zoning district. ([Staff Report #16-007-PC](#))

Staff Comment: Associate Planner Corinna Sandmeier said staff had no additions to the written report.

Applicant Presentation: Ms. Deborah Wachs, property owner, said she and her husband had worked with Henry Riggs, the project architect, for about three-quarters of a year to develop the project design.

Chair Onken opened the public hearing. There being no speakers, he closed the hearing.

Commission Comment: Chair Onken said he liked the long wall with the smaller windows and it appeared an idiosyncratic salt box house.

Commissioner Kahle questioned why the addition was mainly in the rear noting there was a lot of roof in the front. He said the existing home was very charming and keeping that charm and tying it into the addition would have been his preference.

Ms. Wachs said many of the homes in the Willows have a front room that pops up into the attic. She said their front room extends up to the height of the current roof and they wanted to keep that open spatial feeling rather than have the second story there.

Commissioner Ferrick said she liked the project noting it was a modest addition. She said on the left side there was a 14-foot side setback which was generous. She said there appeared to be landscape screening for the window on the right side, which side had a smaller setback. Ms. Wachs indicated that was correct. Commissioner Ferrick said she liked the farmhouse look and dormer.

Chair Onken moved to approve the item as recommended in the staff report. Commissioner Combs seconded the motion.

ACTION: Motion and second (Onken/Combs) to approve the item as recommended in the staff report, passes 6-1 with Commissioner Kahle opposed.

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current California Environmental Quality Act (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 9 plan sheets, dated received January 28, 2016, and approved by the Planning Commission on February 8, 2016, 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.

G. Informational Items

- G1. Future Planning Commission Meeting Schedule – The upcoming Planning Commission meetings are listed here, for reference. No action will be taken on the meeting schedule, although individual Commissioners may notify staff of planned absences.
- Regular Meeting: February 22, 2016
 - Regular Meeting: March 7, 2016
 - Regular Meeting: March 21, 2016

H. Adjournment

Chair Onken adjourned the meeting at 8:00 p.m.

Staff Liaison: Thomas Rogers, Principal Planner

Recording Secretary: Brenda Bennett



REGULAR MEETING MINUTES - DRAFT

Date: 2/22/2016

Time: 7:00 p.m.

City Council Chambers

701 Laurel St., Menlo Park, CA 94025

A. Call To Order

Chair John Onken called the meeting to order at 7:01 p.m.

B. Roll Call

Present: Combs, Ferrick (arrived 7:51 p.m.), Goodhue, Kadvany, Kahle, Onken (Chair), Strehl (Vice Chair)

Absent: None

Staff: Thomas Rogers, Principal Planner; Michele Morris, Assistant Planner; Corinna Sandmeier, Associate Planner; Tom Smith, Associate Planner; Jean Lin, Senior Planner; Deanna Chow, Principal Planner

C. Reports and Announcements

Principal Planner Thomas Rogers reported that on Thursday, February 25th, the first of three ConnectMenlo topic meetings would be held. He said this one would focus on Green and Sustainable Standards as drafted in the General Plan Update and started 6:30 p.m. in the Senior Center in Belle Haven.

Principal Planner Rogers further reported that the City Council at its February 23rd meeting would consider a proposal from the Transportation Division to make the Alma-Ravenswood Traffic Pilot adjustment permanent and that the Planning Commission was seeking applications for new members. Lastly, he reported that the Environmental Impact Report (EIR) for the 1300 El Camino Real project was released the prior week. He said the Commission would have the EIR on its March 21st agenda for a public hearing and comments, and staff would receive comments on it until April 4.

D. Public Comment

- Margaret Wimmer: Ms. Wimmer said she was a residential designer and had been doing projects in Menlo Park and the surrounding areas for over 25 years. She expressed concern about the overall process for Secondary Dwelling Units. She said the City had indicated a strong desire to increase housing and had encouraged secondary dwelling units. She said she was hired in February 2014 to create a 415 square foot addition to an existing detached garage, and Planning Division staff provided her a one-page sheet of information regarding detached building structures. She said they were stopped at their building permit application and required to provide a geotechnical inspection. She said after that they found out they needed a survey, and finally that they needed to go through a conditional use permit process. She encouraged the City to provide all information up front for what was required to build secondary dwelling units.

E. Consent Calendar

- E1. Approval of minutes from the January 25, 2016 Planning Commission meeting. ([Attachment](#))

ACTION: Motion and second (John Onken/Katherine Strehl) to approve the minutes as submitted; passes 6-0 with Commissioner Katie Ferrick absent.

F. Public Hearing

- F1. Use Permit/Cheryl Cheng/760 Hobart Street:

Request for a use permit to demolish an existing single-story residence and construct a new two-story residence with a basement on a substandard lot as to lot width in the R-1-S (Single Family Suburban Residential) zoning district. This item was continued from the meeting of January 11, 2016, with direction for redesign. ([Staff Report #16-010-PC](#))

Staff Comment: Assistant Planner Michele Morris said a late email from a neighbor on Hobart Street was received just before the meeting. She said copies were distributed to the Commission and were available to the public. She said she emailed the email to Mr. Jonathan Jang the project architect but it was very late in the day. She said the neighbor expressed concerns about trees #16 and 17 and the arborist's remarks about tree protection, and about the bay windows for the family room on the first floor.

Applicant Comment: Mr. Jon Jang, project architect, said following direction from the Commission they had made design adjustments to the façade and the side of the house. He said they lowered the roof pitch and made it consistent on the front gables, garage and upper floor gable. He said there were concerns about the garage gable front and façade. He said they added as recommended a gable vent and trellis. He said they redesigned the garage door along the lines of a single-door appearance and recessed the door 12-inches from the front wall of the garage. He said regarding the garage protrusion, they moved the garage one foot into the house, reconfigured the living room and moved the front porch three and a half feet forward creating a recessed massing of the garage. He said a comment had been made to change the roof type of the garage. He said he could not identify something else that would be consistent with the rest of the house so they kept it as a gable. He said related to the comment about the consistency of the roof pitches that they made changes on the front façade to make both of the main gables the same pitches and similarly on the left side of the house.

Chair Onken asked if he had a response to the concerns expressed in the late received email. Mr. Jang said regarding the oak trees that he did not have the arborist report with him. He said he understood that the neighbor's garage was on that side so he was unsure of their concern about sunshine. He said the family room bay windows that the neighbor was concerned about were both single-story structures. He said there was no window intrusion into the setback or privacy issues that he could think of from those elements.

Ms. Cheryl Cheng, property owner, said she got the neighbor's email just this evening, and was trying to pull the arborist's report on her phone. She said she believed the two oaks the neighbor was concerned about were those right next to the street. She said they were located in the 20-foot front setback which would be maintained. She said if there was any need that the arborist identified such as a fence perimeter for those trees that they had one for construction anyway. She said if something else was needed to protect those trees they would definitely do. She said because the neighbor's home was one-story they kept their second-story small. She said they

were trying to create some texture and dimension when they were designing the windows.

Commissioner Susan Goodhue said she thought the email was talking about trees on the neighbor's property. She asked if standard tree protection would be provided for those trees during construction. Assistant Planner Morris said there was a project-specific condition of approval that addressed trees #16 and 17 making tree protection required for those trees. It was confirmed that the protection was extended to the dripline.

Chair Onken opened the public hearing. There being no speakers, he closed the public hearing.

Commission Comment: Chair Onken said he appreciated the applicant making changes. Commissioner Larry Kahle said he agreed. He suggested use wood that could be painted rather than a cheaper metal material for the gable vents.

Commissioner Kadvany moved to approve as recommended in the staff report. He said he thought the front garage was much improved. He said regarding the last part of the email just received that there was 20-foot distance between the buildings and the bay windows was an articulation that added to the attractiveness of the home. Commissioner Susan Goodhue seconded the motion.

ACTION: Motion and second (Kadvany/Goodhue) to approve the item as recommended in the staff report; passes 6-0 with Commissioner Ferrick absent.

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 California Environmental Quality Act (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 Jonathan Jang Architect consisting of fifteen plan sheets, dated received February 10, 2016, and approved by the Planning Commission on February 22, 2016, except as modified by the conditions contained herein, subject to review and approval of 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.
4. Approve the use permit subject to the following ***project-specific*** conditions:
- a. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a revised arborist report regarding trees numbered 16 and 17 and revised plans addressing the following, subject to the review and approval of the Planning Division:
 - 1) Include the use of concrete pilings or stitch piers in the area where over excavation of basement will impede upon the drip line to include the following elements:
 - a) Piers should be limited in diameter and quantity;
 - b) The design will include the ability to adjust its position a few inches one way or the other to minimize root damage
 - 2) Lower the threshold for tree root inspection by arborist prior to cutting from 3 inches to 2 inches; and
 - 3) Install a temporary root protection pad (4 to 6 inch wood chips covered with ¾ inch plywood or alternative) under areas outside dripline.

F2. Use Permit/Judith Wilson/220 Robin Way:

Request for a use permit to add a secondary dwelling unit to an existing detached accessory building that is a nonconforming structure on a lot located in the R-1-U (Single-Family Urban Residential) zoning district. The value of the work would exceed 75 percent of the replacement value of the existing structure in a 12-month period. ([Staff Report #16-011-PC](#))

Staff Comment: Assistant Planner Morris said she had no additions to the staff report.

Questions of Staff: Commissioner Larry Kahle asked about the tandem parking for the second unit noting it was in front of the covered parking space for the main dwelling. Assistant Planner Morris said the tandem parking space was for the use of the secondary dwelling unit resident only. Principal Planner Rogers said that the City's ordinance for secondary dwelling units permitted a tandem parking space for the unit's use that could be in front of the covered parking space for the main dwelling.

Applicant Comment: Ms. Margaret Wimmer, project designer, said she was representing the property owners, Judith Wilson and Enriquez Cuellar. She said the existing structure was a one-car garage with an existing unconditioned space. She said their intent was to take that space and convert it to conditioned space. She said the property owner wanted the conditioned space to be handicapped accessible. She said the one wall of the existing accessory structure intrudes into the required setback. She said a detached garage was located on the neighboring property so there were no conflicts with views or privacy.

Commissioner Kahle asked if the garage had been a two-car garage. Ms. Wimmer said it was possible but there was no historical evidence to support that.

Chair Onken opened the public hearing. There being no speakers, he closed the public hearing.

Commission Comment: Commissioner Kahle moved to approve the item as recommended in the staff report. Commissioner Strehl seconded the motion.

ACTION: Motion and second (Kahle/Strehl) to approve the item as recommended in the staff report; passes 6-0 with Commissioner Ferrick absent.

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 California Environmental Quality Act (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 Margaret Wimmer Residential Design consisting of sixteen plan sheets, dated received February 10, 2016, and approved by the Planning Commission on February 22, 2016, except as modified by the conditions contained herein, subject to review and approval of 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.

F3. Use Permit/Greg Klein/1215 Valparaiso Avenue:

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 in the R-E (Residential Estate) zoning district. The proposal also includes a request to allow the combined square footage of all accessory buildings and structures to exceed 25 percent of the square footage of all levels of the main building, and request to allow an accessory building to be located on the front half of the lot. ([Staff Report #16-012-PC](#))

Staff Comment: Associate Planner Corinna Sandmeier said she had no additions to the written report.

Applicant Comment: Mr. Greg Klein, project architect, said with the proposed design that they tried to shrink the footprint from what the existing home has by building a partial two-story residence. He said they located the two-story portion of the home so it would be the least intrusive to the neighbors particularly the neighbor to the west. He noted regarding the neighbor to the east who had concerns with the proposed design that there were three heritage redwood trees in the front yard setback of the proposed house and four additional bay laurel trees that provided a nearly complete screening between that neighbor's house and the proposed house.

Replying to questions from Commissioner Kadvany, Mr. Klein said the Fire District had initially required a 16-foot driveway. He said the opening to the panhandle lot however was only 15-feet wide so the Fire District granted permission of a twelve-foot wide driveway with the use of impervious pavers. He said the existing driveway was 10-feet wide. He confirmed that the house would have fire sprinklers throughout as required.

- Dale Smith, neighbor. Mr. Smith said that the property owners had provided him and his wife information on what they were proposing to do as well as invited them to a walkthrough of the property. He said the applicants were extremely diligent in reaching out to the neighbors and explaining very completely what they were trying to accomplish. He said they had spent time and money on a design that was attractive and respectful to the neighborhood. He said there was an abundance of plantings on the property that would provide landscape screening.
- Grace Kim, neighbor. Ms. Kim said she and the applicants share a wall, and she was able to

see their house from hers. She said the applicants had been very considerate in reaching out to the neighbors. She said her home is two-story and she did not think the applicant's two-story was going to impact her at all. She said she fully supported the proposed project.

Chair Onken closed the public hearing.

Commission Comment: Chair Onken said this property was surrounded on all sides. He said the project had abundant setbacks and was a considerate two-story. He said the stair tower was prominent but 54-feet away from the neighbor and well-screened.

Commissioner Kahle said this was an attractive project. He commended the architect, designers, applicants and staff for all the well-designed projects on this agenda.

Commissioner Combs said it was a well-designed project and moved to approve as recommended in the staff report. Commissioner Strehl seconded the motion. Commissioner Ferrick said she was abstaining as she arrived midway through the presentation.

ACTION: Motion and second (Combs/Strehl) to approve the item as recommended in the staff report; passes 6-0 with Commissioner Ferrick abstaining.

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 California Environmental Quality Act (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 John Malick & Associates, consisting of 15 plan sheets, dated received February 12, 2016, and approved by the Planning Commission on February 22, 2016, 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.
4. Approve the use permit subject to the following ***project-specific*** conditions:
- a. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a draft declaration of conditions and covenants relative to the uses of the accessory structures and buildings, subject to review and approval of the Planning Division and the City Attorney's office. Prior to issuance of a building permit, the applicant shall submit documentation of the approved declaration of conditions and covenants' recordation, subject to review and approval of the Planning Division.
 - b. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a revised site plan showing proposed new evergreen trees in the landscape strip along the northern boundary of the panhandle driveway, subject to review and approval of the Planning Division.

- F4. Use Permit/Justin Young/435 University Drive:
Request for a use permit to partially demolish, remodel, and construct first- and second-story additions to an existing single-story, single-family residence on a substandard lot with regard to lot width and lot area in the R-1-U (Single-Family Urban Residential) zoning district. The proposal would exceed 50 percent of the existing floor area on the lot and is considered equivalent to a new structure. ([Staff Report #16-013-PC](#))

Staff Comment: Associate Planner Tom Smith said he had no additions to the written report.

Applicant Comment: Ms. Karen Zak, project designer, said the property owners were her neighbors and she was pleased to have and keep them as neighbors.

Chair Onken opened the public hearing. There being no speakers, he closed the public hearing.

Commission Comment: Commissioner Kahle said this was an attractive project. He asked about the roof ridge on the garage as it looked like it stopped. Ms. Zak said it wrapped around. Commissioner Kahle asked if there would be a hip over the garage from the street. Ms. Zak said on the north elevation there would be a piece of siding with an interruption similar to the south elevation. Commissioner Kahle said the ridge was a bit higher from the front elevation over the master bedroom. Ms. Zak said she did not want to lower the plate height and thought it was back

from the street enough to not be noticeable.

Commissioner Ferrick said there were garages and driveways between the properties so even with the minimal side setbacks there were no impacts.

Chair Onken said there were secondary windows on the northwest side for upstairs bedrooms that had glazing on the fenestration front and back but there were a series of double hung windows along the side. He said in denser situations there would be problems with those windows but in this case they were taking advantage of the fact that those were facing garages and roofs. He said however that if 445 University Drive built a similar home in the future, it would create a problem for this home. He suggested moving a window or raising the sill height. Ms. Zak said it was so important to her clients and her to have light from two sides for the bedrooms. She said the preference was to keep the windows and use window shades or blinds for privacy. Chair Onken said the Commission's concern would be for the neighbor's privacy.

ACTION: Motion and second (Goodhue/Kahle) to approve the item as recommended in the staff report; passes 7-0.

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current California Environmental Quality Act (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 Zak Johnson Architects, consisting of 8 plan sheets, dated received on February 9, 2016, and approved by the Planning Commission on February 22, 2016, 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.

Chair Onken said that Commissioner Strehl would recuse herself from item F5.

- F5. Use Permit/Eugene Sakai/311 O'Keefe Street: Request for a use permit to demolish an existing single-story residence and construct a new two-story residence on a substandard lot with respect to lot width in the R-1-U (Single Family Urban Residential) zoning district. ([Staff Report #16-014-PC](#))

Senior Planner Jean Lin said staff had no additions to the report.

Commissioner Ferrick noted that she knows the applicant.

Applicant: Mr. Eugene Sakai, Studio S² Architects, introduced his clients, Melanie and John Wagner, property owners of 311 O'Keefe Street. He said his clients did exceptional neighborhood outreach and directed the architects to make some minor changes based on that feedback. He said the design was straight forward and used internal, side facing courtyards as a way to bring light into a tight narrow lot. He said this project did not create a monolithic side elevation and that helped to reduce impacts to both adjacent neighbors.

Commissioner Kahle asked if they had contacted the rear neighbor about the fairly large second story balcony. Mr. John Wagner said that Commissioner Strehl was the rear neighbor and had expressed no concerns as there was considerable landscape screening between the two properties.

Commissioner Kahle said asked if the window shown on the west elevation was a louvered window. Mr. Sakai said that was a solid wall under the pentangle window and a place where they turned the board and batten 90 degrees.

Commissioner Ferrick asked about the screen shown on A3.8.0. Mr. Sakai said that was the stair well window that was recessed from the property line significantly.

Chair Onken opened the public hearing.

- Mr. Chandler Eason said he and his wife were neighbors and supported the project.

Chair Onken closed the public hearing.

Commission Comment: Chair Onken said this was an ingenious design. He said he was

concerned with second story side facing windows as neighborhoods transitioned from single-story ranch homes to two-story dwellings as future adjacent two-story development might cause privacy impacts.

Commissioner Ferrick said having space on the sides for large trees would mitigate future view concerns. She said that there were minimal second story windows on the side.

Commissioner Kahle said it was a very handsome design. He said the side facing window that might prove to be the most problematic in the future was the office window although it was pretty far back from the property line. He suggested the two bedroom window seats facing the street seemed a little deep and suggested they could be shallower.

Commissioner Kadvany said he liked the project and noted in particular the articulation and breaking up of the massing on the sides. He moved to approve as recommended in the staff report. Commissioner Ferrick seconded the motion.

ACTION: Motion and second (Kadvany/Ferrick) to approve the item as recommended in the staff report; passes 6-0 with Commissioner Strehl recused.

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 California Environmental Quality Act (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 Studio S² Architecture, consisting of 20 plan sheets, dated received on February 16, 2016, and approved by the Planning Commission on February 22, 2016, 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 and the recommendations in the arborist report by Kielty Arborist Services revised on January 25, 2016.

G. Public Meeting

- G1. Housing Element Annual Report/City of Menlo Park:
Opportunity to consider and provide comments and/or a recommendation to the City Council on the 2015 Annual Report on the status and progress in implementing the City's Housing Element (2015-2023). ([Staff Report #16-015-PC](#))

Principal Planner Deanna Chow said that the Commission was asked to review and comment on the 2015 Annual Report on the status and progress in implementing the City's Housing Element (2015-2023). She said staff had no additions to the staff report and the attachment, the latter being the document that would be transmitted to the State Housing and Community Development (HCD) Department. She noted that Jim Cogan, the City's Housing and Economic Development Manager, was also present and available for questions. She provided an overview of Attachment A. Commissioner Ferrick asked how the affordability level was determined for secondary dwelling units. Principal Planner Chow said through San Mateo County and HCD it was previously determined that the City would be able to account for secondary dwelling units in the lower income categories although they were not deed restricted.

Discussion ensued about affordable residential units and constraints to including a needed nexus for rental units to be affordable, and the potential definition of Below Market Rate housing as a value in public benefit discussion.

Public Comment:

- Annette Pleiske said the review of the annual report should have been first on the agenda. She said she supported pedestrian and bicycle improvements especially for the school corridors. She said in Table A household incomes should be quantitatively defined rather than categorized as low, very low, etc. She suggested changing zoning near transit to require greater density and more affordable housing.

Chair Onken closed public comment.

Commission Comment: Chair Onken commented on the affordable housing question and asked if they should consider making suggestions to the Council on targeted actions to address the lack of affordable housing.

Commissioner Ferrick said she was on the Housing Element Update Task Force and while there were numerous mechanisms to make affordable housing possible developers were not required to do affordable housing. She said she would support a recommendation to institute a more systematic and meaningful encouragement for the production of low and very low income housing.

Commissioner Strehl observed that Belle Haven residents wanted low and very low income housing spread throughout the City and not just in their neighborhood.

Commissioner Ferrick said a potential valid recommendation was for Below Market Rate (BMR) housing to be provided as a public benefit and for larger projects to include a BMR unit for sale within a rental unit project.

Chair Onken said from recent experience he knew that creating BMR units could be lucrative with a certain volume of development noting Federal benefits related to that. He said that having BMR units at the level currently required for developments getting density bonus was not enough to be considered public benefit; rather he thought the provision should be double or higher than what was required to be considered public benefit. Commissioner Ferrick suggested that it be clarified that for low and very low income affordable housing to be considered a public benefit it had to be above and beyond what was required for bonus density.

Mr. Cogan said another opportunity in the development in the M2 district, which was independent of ConnectMenlo, was for the City to generate requirements for commercial development there to pay into affordable housing in the downtown.

Replying to a question from Chair Onken, Principal Planner Chow said there was a program to encourage mixed use development and they were looking at enhancing the C2B zoning designation currently in certain key corners of Willow Road.

Commissioner Combs asked if there was a community along the Peninsula that had gotten affordable housing right, which the City could use as a model.

Principal Planner Chow said many jurisdictions along the Peninsula corridor face the same situation as Menlo Park regarding that issue. She said that was why the City was participating in the 21 element nexus study on housing issues. Commissioner Ferrick noted that other jurisdictions have a higher BMR fee structure for office development and that was not deterring office development. Principal Planner Chow said the commercial linkage fee was part of their nexus study.

Commissioner Kadvany noted Table 1 and other programs in the Housing Element. He asked about the status of protecting existing housing through amending the zoning ordinance. Principal Planner Chow said protecting housing through amending the zoning ordinance would be part of the larger housing strategy session that would happen later in the spring. Commissioner Kadvany asked about exploring the subdivision ordinance and whether that was citywide. Principal Planner Chow said that was part of the Municipal Code and it applied citywide, noting the current ordinance was very outdated. Commissioner Kadvany asked if it would involve rezoning in parts of town. Principal Planner Chow said the subdivision ordinance would be separate from any zoning.

Commissioner Kadvany said he supported working with the Fire District on driveway width noting the item on tonight's agenda where the Fire District first required a 16-foot wide driveway but accepted a 12-foot wide driveway. He said he would also like discussion on the Fire District's

requirement for building separation when two lots were combined. He asked about special needs housing and if that was part of the affordable housing overlay. Principal Planner Chow said special needs housing would look at assisted living, skilled nursing and senior living facilities. She said above and beyond the density bonus under the Specific Plan, the affordable housing overlay was applied to specific sites as part of the 2013 Housing Element. She said only Mid-Pen on the 1200 block had applied for the affordable housing overlay. She said those identified sites remained available in the Specific Plan Downtown area.

Chair Onken asked if a motion was needed. Principal Planner Chow said she was recording the Commission comments to share with the Housing Commission next week, and then with the City Council a few weeks after that. She said the Commission could make a motion for a formal recommendation that would get passed on to the City Council.

Chair Onken said he was supportive of facilitating more low and moderate income housing. Commissioner Ferrick suggested recommending that the City Council explore and enact quickly avenues that could provide more low and moderate housing so that in a year the City would have a greater amount of the those units.

Commissioner Kadvany noted Chair Onken's comment about large enough development that would support the profitability of more low and lower income housing, and suggested in combining those requirements and swapping them between different developers that they could possibly get to the mass needed to make larger percentage numbers possible.

Commissioner Goodhue said she was supportive of what Commissioner Ferrick suggested and that they should make a strong statement that the Commission recommended the City exploring and enacting avenues that would provide more low and moderate income housing quickly.

Commissioner Strehl said she concurred and it was the City's responsibility to provide zoning for low, very low, and moderate income zoning but it was hard to get developers to do that development. She said they needed incentives to support increased low, very low and moderate income housing but it was clear that developers could not be forced to build those.

Commissioner Combs said he was supportive of affordable housing but he could not identify a salient suggestion that would further increase affordable housing.

Commissioner Ferrick said the City's obligation under the Housing Element was to provide sites for affordable housing which the City did. She made a recommendation to go further than the zoning and look at what they could do to incent developers to do affordable housing.

Chair Onken said one incentive was the density bonus and having affordable housing as public benefit.

Commissioner Strehl asked about the City's surplus property. Mr. Cogan said it was not very much that the City owned that was surplus; the last City-owned property sold on Hamilton Avenue. He said sometimes other public agencies have surplus property become available.

Commissioner Kadvany said whether developers would provide affordable housing should be the political will of the City government. He said the City might have to make tradeoffs for density, design, and proximity to the Bay for building to get affordable housing.

Chair Onken confirmed with staff that the Commission had provided enough guidance and was very supportive of the report and further efforts to increase affordable housing in the area.

Commissioner Ferrick moved that the Planning Commission recommend that the City Council identify appropriate incentives for the production of low and very low income housing units exploring things such as public benefits or other mechanisms to increase production.

Commissioner Strehl seconded the motion. Chair Onken suggested additional incentives for the production of affordable housing. Principal Planner Chow asked if they meant all income levels. Commissioner Ferrick said moderate and lower income levels.

ACTION: Motion and second (Ferrick/Strehl) to recommend that the City Council identify appropriate incentives to create housing for households at or below the moderate-income level; passes 7-0.

H. Informational Items

H1. Future Planning Commission Meeting Schedule – The upcoming Planning Commission meetings are listed here, for reference. No action will be taken on the meeting schedule, although individual Commissioners may notify staff of planned absences.

- Regular Meeting: March 7, 2016
- Regular Meeting: March 21, 2016
- Regular Meeting: April 11, 2016

I. Adjournment

Chair Onken adjourned the meeting at 9:23 p.m.

Staff Liaison: Thomas Rogers, Principal Planner

Recording Secretary: Brenda Bennett



STAFF REPORT

Planning Commission

Meeting Date:

3/21/2016

Staff Report Number:

16-019-PC

Public Hearing:

Use Permit/Brian Watkins/276 Marmona Drive

Recommendation

Staff recommends that the Planning Commission approve a request for a use permit to remodel and add approximately 539 square feet to a nonconforming single-story residence in the R-1-U (Single-Family Urban) zoning district, at 276 Marmona Drive. The proposed work would exceed 75 percent of the existing replacement value in a 12-month period. As part of the project, two heritage trees, a flowering pear and a crepe myrtle in the right side yard are proposed for removal. The recommended actions are contained within Attachment A.

Policy Issues

Each use permit request is considered individually. The Planning Commission should consider whether the required use permit findings can be made for the proposal.

Background

Site location

The subject site is located at 276 Marmona Drive, which is an interior lot located between Concord Drive and Robin Way. A location map is included as Attachment B. The subject parcel is surrounded on all sides by single-family homes that are also in the R-1-U zoning district. There is a mix of one and two-story single-family residences surrounding the project site which generally feature ranch or bungalow architectural styles.

Analysis

Project description

The applicant is proposing to add to and remodel an existing single-story, single-family residence. The front of the home would be modified by adding square footage to create a new covered entry, and adding to the existing dining room and living room to create a new office, a great room, and an expanded kitchen in an open-air design. The great room would open out to a new wood trellis in the right side yard. The rear addition would allow the reconfiguration of the existing rear bedrooms into a new master bedroom, master bathroom and closet. The interior of the residence would have a new laundry room and remodeled bathroom. The existing fireplace would be removed, which would lend more interior space to the second bedroom and the garage. The front addition and new front entry would be placed farther forward than the existing front elevation, which would reduce the visual prominence of the existing garage. Overall, the proposed residence would have two bedrooms, a new master bedroom with master bathroom, a new laundry, a new office and enhanced great room and kitchen. A data table summarizing parcel and project

attributes is included as Attachment C. The project plans, and the applicant's project description letter are included as Attachments D and E, respectively.

The existing residence is considered nonconforming with regard to the 5.5-foot left side yard setback. The remodeling and additions would exceed 75 percent of the existing replacement value in a 12-month period, as discussed in more detail in a following section. However, the new additions would comply with all the setback requirements, and the framing members of the nonconforming walls and roof would be retained. The parking would remain nonconforming, with only one required covered space located in the existing garage. However, the driveway would provide one usable, unofficial parking space, and parking nonconformities may be permitted to remain on remodel/expansion projects.

Design and materials

The design of the home would be contemporary craftsman with a composition shingle roof. The exterior material would be cement plaster with texture and finish to match the existing façade. A new veneer wainscoted cap stone and lightweight stone veneer would be added to the lower half of the front elevation. The additions would include mostly casement windows, however, new casement and fixed windows would provide additional light to the new great room. Staff believes that the scale, materials, and design of the proposed residence would be consistent with the neighborhood's mix of architectural styles.

Trees and landscaping

The applicant has submitted an arborist report (Attachment F) detailing the species, size and conditions of the trees on or near the site, including four heritage trees. Two heritage trees, an English walnut and a London plane (trees #3 and #7), are located on a neighboring property. The applicant has applied for a heritage tree removal permit to remove a flowering pear and a crepe myrtle (trees #4 and #5, respectively) from the subject property. One non-heritage size mayten tree (tree #6) is also proposed for removal. The flowering pear, the crepe myrtle and the mayten tree would all be within the construction zone. The project arborist recommends removal of trees #4 and #5 from the construction zone due to the possibility of limb failure and leader loss. Trees #4 and #5 have been evaluated by the City Arborist who will likely approve their removal. On the site plan, the applicant has provided a short list of two replacement trees to be placed in the front and rear yards. The proposed site improvements should not adversely affect any of the trees as tree protection measures will be ensured through standard condition 3g.

Valuation

The City uses standards established by the Building Division to calculate the replacement and new construction costs on which the use permit threshold is based. The City has determined that the replacement cost of the existing residence would be \$245,270, meaning that the applicant would be allowed to propose new construction and remodeling at this site totaling less than \$183,952.50 in any 12-month period without applying for a use permit. The City has determined that the value of the proposed work would be approximately \$222,460. Based on this estimate, the proposed project exceeds 75 percent of the replacement cost of the existing structure, therefore requiring use permit approval by the Planning Commission.

Correspondence

Staff has received two individual letters in support of the proposed project, as well as a support petition signed by owners of six properties (Attachment G).

Conclusion

Staff believes the scale, materials, and style of the proposed additions are compatible with the neighborhood. The applicant has located the front addition and new front entry forward of the garage, which would reduce the garage's visual prominence. Although two heritage trees are proposed for removal,

the recommended tree protection measures would help minimize impacts on nearby heritage trees on adjacent properties. Staff recommends that the Planning Commission approve the proposed project.

Impact on City Resources

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

Environmental Review

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

Public Notice

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of publishing a notice in the local newspaper and notification by mail of owners and occupants within a 300-foot radius of the subject property.

Appeal Period

The 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. Recommended Actions
- B. Location Map
- C. Data Table
- D. Project Plans
- E. Project Description Letter
- F. Arborist Report
- G. Correspondence

Disclaimer

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:

Michele T. Morris, Assistant Planner

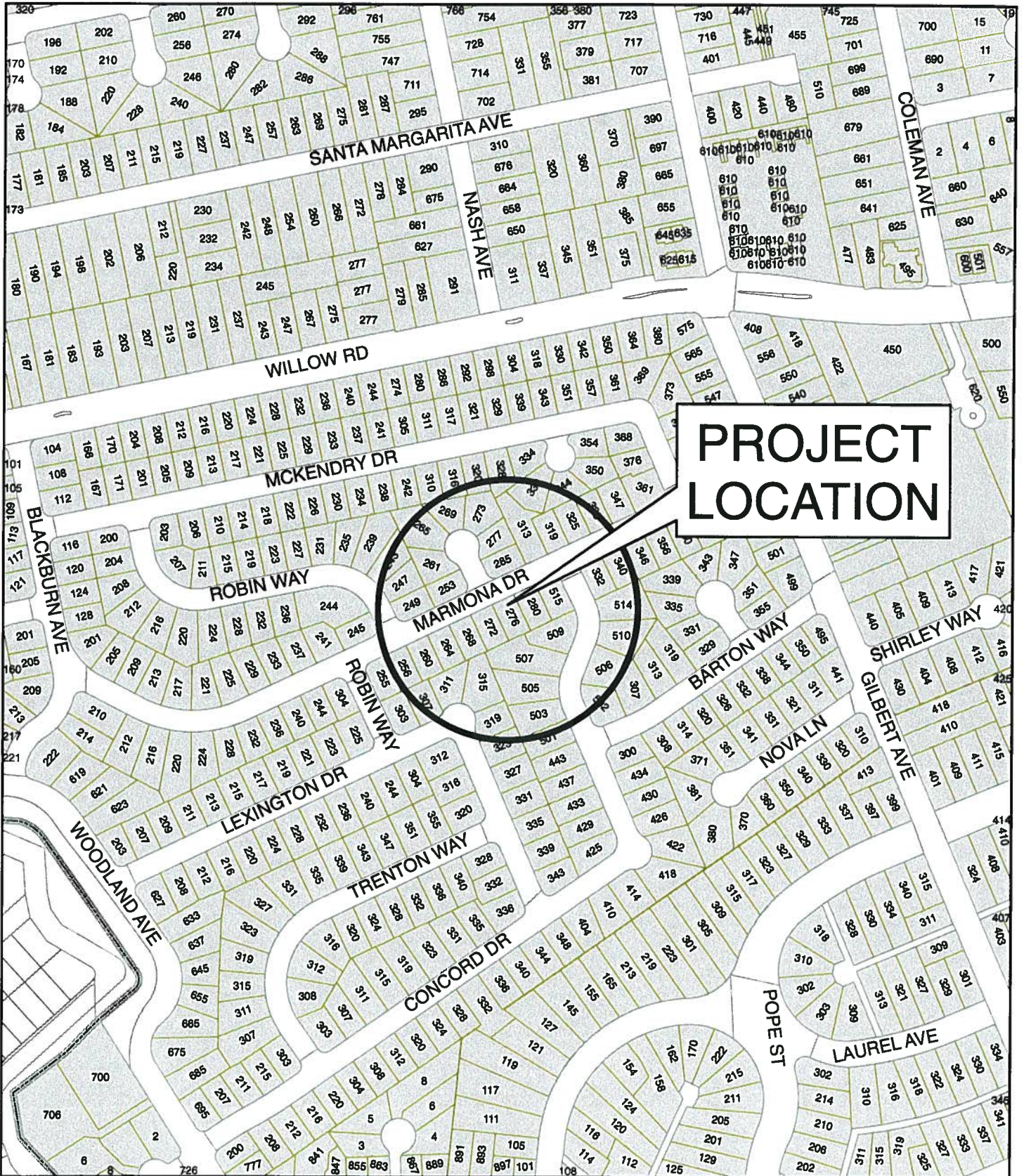
Staff Report #: 16-019-PC

Report reviewed by:
Thomas Rogers, Principal Planner

276 Marmona Drive – Attachment A: Recommended Actions

| | | | |
|---|--------------------------------------|---------------------------------|--|
| LOCATION: 276 Marmona Drive | PROJECT NUMBER: PLN2015-00112 | APPLICANT: Brian Watkins | OWNER: Brian Watkins and Lisl Shoda |
| REQUEST: Request for a use permit to remodel and add approximately 539 square feet to a nonconforming single-story residence in the R-1-U (Single-Family Urban) zoning district. The proposed work would exceed 75 percent of the existing replacement value in a 12-month period. As part of the project, two heritage trees, a flowering pear and a crepe myrtle in the right side yard are proposed for removal. | | | |
| DECISION ENTITY: Planning Commission | DATE: March 21, 2016 | ACTION: TBD | |
| VOTE: TBD (Combs, Ferrick, Goodhue, Kadvany, Kahle, Onken, Strehl) | | | |
| ACTION: <ol style="list-style-type: none"> 1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current California Environmental Quality Act (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: <ol style="list-style-type: none"> a. Development of the project shall be substantially in conformance with the plans prepared by Focal Point Design, consisting of 6 plan sheets, dated received March 1, 2016 and approved by the Planning Commission on March 21, 2016 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. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance. | | | |





CITY OF MENLO PARK

LOCATION MAP

276 MARMONA DRIVE

B1

DRAWN: TAS CHECKED: MTM DATE: 03/16/16 SCALE: 1" = 300' SHEET: 1



276 Marmona Drive – Attachment C: Data Table

| | PROPOSED PROJECT | EXISTING PROJECT | ZONING ORDINANCE |
|----------------------------|---|---|----------------------------|
| Lot area | 5,033 sf | 5,033 sf | 7,000 sf min. |
| Lot width | 55 ft. | 55 ft. | 65 ft. min. |
| Lot depth | 91.5 ft. | 91.5 ft. | 100 ft. min. |
| Setbacks | | | |
| Front | 20 ft. | 25 ft. | 20 ft. min. |
| Rear | 20.5 ft. | 21.4 ft. | 20 ft. min. |
| Side (left) | 5 ft. | 5 ft. | 5.5 ft. min. |
| Side (right) | 6.3 ft. | 13.8 ft. | 5.5 ft. min. |
| Building coverage | 2,010 sf 39.9 % | 1,386 sf 27.5 % | 2,013 sf max. 40 % max. |
| FAL (Floor Area Limit) | 1,925 sf | 1,386 sf | 2,800 sf max. |
| Square footage by floor | 1,664 sf/1 st 261 sf/garage 75 sf/porch & trellis 10 fireplace | 1,125 sf/1 st 261 sf/garage | |
| Square footage of building | 2,010 sf | 1,386 sf | |
| Building height | 17.8 ft. | 16.8 ft. | 28 ft. max. |
| Parking | 1 covered | 1 covered | 1 covered/1 uncovered |

Trees

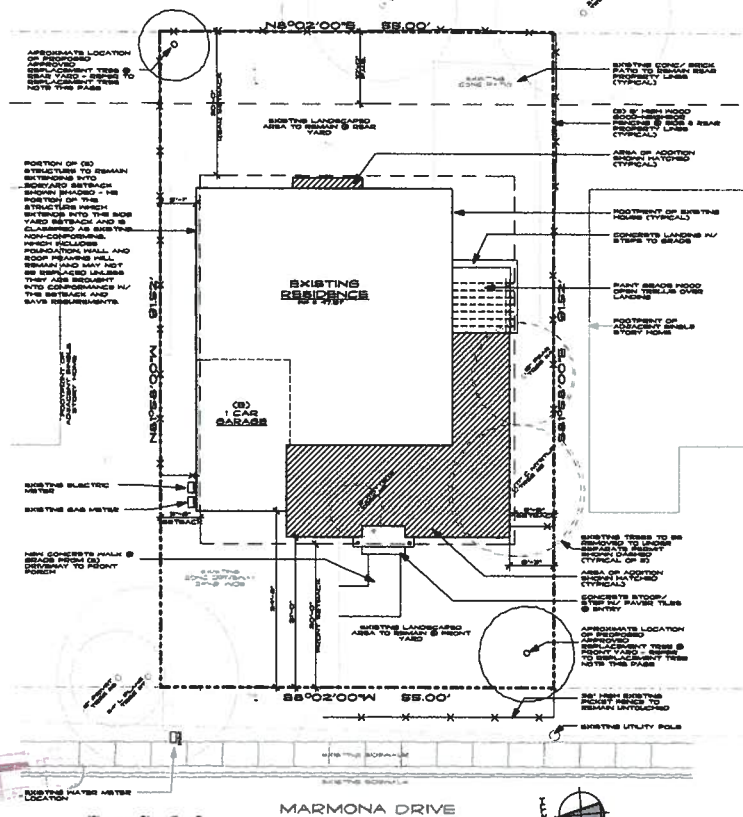
| | | | | | |
|-------------------------------------|----|---|----|-----------------------|----|
| Heritage trees | 4* | Non-Heritage trees | 4* | New Trees | 2 |
| Heritage trees proposed for removal | 2 | Non-Heritage trees proposed for removal | 1 | Total Number of Trees | 8* |

*Includes trees on a neighboring parcel.

CI

[illegible]

③ **STREETSCAPE**
SCALE: 1/18" = 1'-0"



MAR 01 2016 ① SITE PLAN
SCALE 1/8" = 1'-0"
REPLACEMENT

AS PART OF THIS PROJECT, PRIOR TO FINAL INSPECTION, THE OWNER SHALL INSTALL A TOTAL OF 300 APPROVED REPLACEMENT TREES AT THE LOCATIONS INDICATED ON THE SITE PLAN.

REPLACEMENT TREES SHALL BE OF 2 1/2" DBH OR IN CONTAINER SIZE.

EACH REPLACEMENT TREE SHALL BE ONE OF THE FOLLOWING SPECIES:

CAMPBELL'S MAGNOLIA
SHEDD - SPREAD SILVER
AUSTRALIAN GREY - POLARIS X YEDDERS
JAPANESE MAPLE - ACER PALMATUM

FIRE SPRINKLER NOTES

1. INSTALLATION OF AN AUTOMATIC FIRE SPRINKLER SYSTEM WILL BE REQUIRED FOR THE PROJECT AND SHALL BE SUBMITTED, REVIEWED AND APPROVED UNDER SEPARATE PERMIT SUBMITTAL.
2. AUTOMATIC FIRE SPRINKLER SYSTEMS SHALL CONFORM TO THE REQUIREMENTS OF THE NATIONAL FIRE PROTECTION ASSOCIATION HANDBOOK USED FOR RESPONSES.

FRONTAGE IMPROVEMENT NOTES

1. ALL EXISTING FRONTAGE IMPROVEMENTS THAT ARE DAMAGED, CRACKED, UPLIFTED OR DEFORMED DURING THE COURSE OF CONSTRUCTION, OR THAT PRESENT A CHALLENGE TO THE CITY'S PUBLIC SAFETY, SHALL BE REMOVED AND RECONSTRUCTED, REPAIRED, REPLACED OR IMPROVED. EXISTING IMPROVEMENTS SHALL MEET CITY STANDARDS FOR ALL CITY FRONTAGE IMPROVEMENTS. CITY SHALL NOT BEAR THE COSTS OF RECONSTRUCTION.
2. ALL FRONTAGE IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE CITY STANDARD SPECIFICATIONS FOR CITY STANDARD DETAILS.
3. A SEPARATE SUBMITTAL SHALL BE USED FOR ANY FRONTAGE IMPROVEMENTS TO THE PUBLIC RIGHT-OF-WAY. THE APPLICANT/CONTRACTOR SHALL OBTAIN THE REVIEW FROM THE CITY'S ENGINEERING DEPT. PRIOR TO STATING ANY MEASUREMENTS WITHIN THE CITY'S PUBLIC RIGHT-OF-WAY. THE CITY'S ENGINEERING DEPT. SHALL REVIEW THE SUBMITTAL FROM UTILITY COMPANIES PRIOR TO APPLYING THE CITY'S IMPROVEMENTS TO THE CITY'S PUBLIC RIGHT-OF-WAY. THE CITY'S ENGINEERING DEPT. SHALL HERESTATE AT <http://www.ci.mesa.az.us/development/development/development/development>

| <u>DRAWING INDEX</u> | |
|----------------------|--|
| D-1 | PROJECT DATA/ SITE PLAN/ AREA PLAN/ STREET SCAPES |
| D-2 | FIRST-THR FLOOR PLAN/ SKT ELEVATIONS |
| D-3 | PROPOSED FLOOR PLAN/ FRONT ELEVATION/ FLOOR AREA DIAGRAM/ HIN & DOOR SCHED |
| D-4 | INTERIOR ELEVATIONS/ ROOF PLAN |
| D-5 | SECTIONS/ DETAILS |
| SURVEY | SURVEY/ STRUCTURE LOCATION |

PROJECT TEAM

| | |
|-------------|--|
| ARCHITECT: | BARRY T. ANDERSON, AIA PISCAL POINT DESIGN 1950 EL CAMINO REAL, STE 200 MILPITAS, CA 95035 (800) 258-3800 |
| STRUCTURAL: | MS ENGINEERS & ASSOC. INC 3205 S BANCROFT AVE CAMPBELL, CA 95008 (408) 577-8904 |
| ENERGY: | WILMS HANCOCK 3115 S BANCROFT AVE (SUITE 200) 3115 BANCROFT AVE 3115 BANCROFT AVE MILPITAS, CA 95035 (800) 824-0033 |
| SURVEY: | LS ENGINEERS INC 5951 GARDLAND ROAD SAN JOSE, CA 95128 (408) 983-4008 |

[illegible]

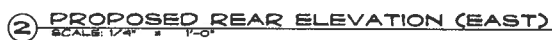
```

PROJECT INFO
=====
PROJECT DESCRIPTION
=====
BRIEF DESCRIPTION AND REFERENCE TO THE EXISTING
DRAWINGS TO BE USED TO DEVELOP SERVICES THIS INSTANT
REQUEST.
=====
SITE DATA
=====
A.P.N. _____
CITY _____
COUNTY _____
SECTION _____
COMPLETION TYPE _____
LOT SIZE _____
LOCAL SEPT. _____
=====
REQUIRED SERVICES:
=====
SEWER _____
WATER _____
GAS _____
CABLE _____
COP. W/DO _____
=====
MAIN LOT COVERAGES - SINGLE STORY _____
SOUTH SEPT. (40x3) _____
MAIN LOT COVERAGES - DOUBLE STORY _____
SOUTH SEPT. (40x3) _____
MAIN LOT COVERAGES - 2ND FLOOR _____
SOUTH SEPT. _____
MAIN LOT COVERAGES - 3RD FLOOR _____
SOUTH SEPT. _____
=====
EXISTING FLD AREA BREAKDOWN
=====
SYSTEMS LIVING AREA _____
LOCAL SEPT. _____
EXISTING SYSTEM LIVING AREA _____
LOCAL SEPT. _____
TOTAL FLD AREA _____
=====
LOT COVERAGES BREAKDOWN
=====
LIVING AREA _____
LOCAL SEPT. _____
KITCHEN _____
LOCAL SEPT. _____
BATH _____
LOCAL SEPT. _____
BED ROOM _____
LOCAL SEPT. _____
TOTAL LOT COVERAGES _____
TOTAL SEPT. (40x3) _____
=====

```

[illegible]




















SECTION (a) BATH/ M CLOSET
SCALE: 1/4" = 1'-0"

SECTION (a) MSTR BDRM/ GREAT RM
SCALE: 1/4" = 1'-0"

















P-5


















[illegible]

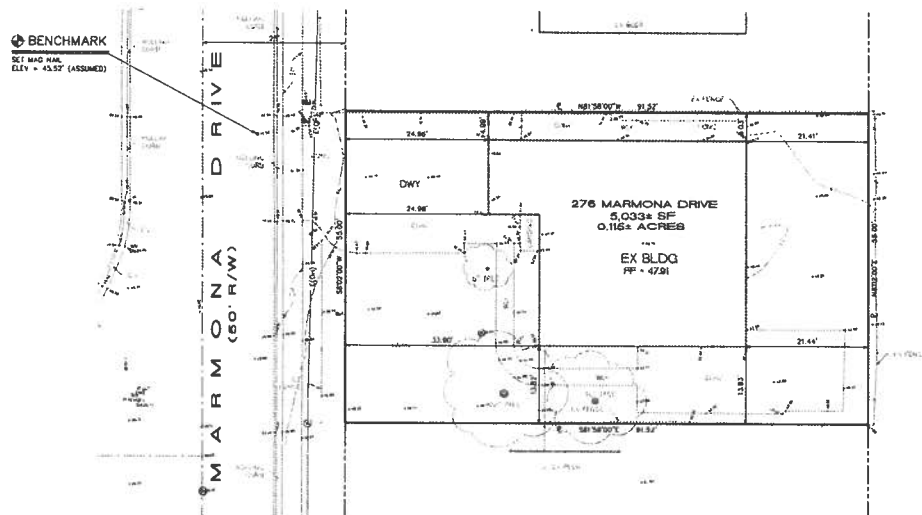
| | |
|------|----------------------------|
| SD | STORM DRAIN |
| SDC | STORM DRAIN EASEMENT |
| SE | SLOPE EASEMENT |
| SEW | SLOPE MAINTENANCE EASEMENT |
| SES | SANITARY SEWER/ALTRIAL |
| SS | SANITARY SEWER EASEMENT |
| STD | STANDARD CITY DETAIL |
| SW | SIDE WALK |
| FB | TOP OF BANK |
| FC | TOP OF CURB |
| TEMP | TEMPORARY |
| TOC | TOP OF COVER |
| TOE | TOP OF BANK |
| TO | TOP OF GRADE |
| TPF | TREE PROTECTION FENCE |
| TR | TOP OF WALL |
| TPY | TYPICAL |
| VG | VALLEY CUTTER |
| W | WATER |
| WE | WHERE EASEMENT EASEMENT |
| WALK | WALKWAY |
| WTR | WATER WATER |
| WECE | WHERE OVERHEAD EASEMENT |
| WV | WATER VALVE |

 AREA DRAIN
 BENCHMARK
 BOUNDARY
 CATCH BASIN
 CURABLE ROCK ENERGY DISSIPATOR
 CONCRETE
 EXISTING CONTOUR AFTER GRADING
 ORIGINAL GROUND PRIOR TO GRADING
 DESIGN GRADE
 DOWNSPOUT WITH SPLASHBLOCK
 DRAINAGE EMITTER
 DIVERSION VALVE
 BACKWATER VALVE
 DRAINAGE SABLE

----- EASEMENT LINE
 - - - - - OR (TYPED) EXISTING ELEVATION
 --- EXISTING FENCE
 --- EXISTING TREE TO BE REMOVED
 --- EXISTING TREE TO REMAIN
 --- FOUND WIRE PIPE AT PROPERTY CORNER
 --- FIBER ROLLS
 --- GAS METER
 --- GAS VALVE
 --- GRADE TO DRAIN
 --- GUY POLE
 --- GUY WIRE ANCHOR
 --- HIGH POINT
 --- HYDRANT: EXISTING
 --- HYDRANT: PROPOSED

| | |
|---|--|
|  | INLET |
|  | JOINT POLE |
|  | LIGHTING |
|  | LIGHTING POLE |
|  | LOW POINT |
|  | MANHOLE WELL |
|  | OVERLAND FLOW DIRECTION |
|  | POLE BOX |
|  | POST CONSTRUCTION STORM WATER POLLUTION CONTROL MEASURE |
|  | PROJECT SITE |
|  | ROAD RETAINING WALL |
|  | RIGHT OF WAY |
|  | SANITARY SEWER CLEAN OUT MANHOLE |
|  | SANITARY SEWER MANHOLE |
|  | STORM DRAIN MANHOLE |
|  | SUMP PUMP |

| | |
|---|-------------------------|
|  | ELECTRICAL BOX |
|  | TELEPHONE BOX |
|  | TELEVISION BOX |
|  | TEST PIT |
|  | TOP OF FILL |
|  | TOE OF FILL |
|  | TOE OF CUT |
|  | TOE OF CUT |
|  | FREE HANDKER |
|  | T-VAULT |
|  | UTILITY EXISTING |
|  | UTILITY PROPOSED OR NEW |
|  | VERTICAL SHORING |
|  | WATER METER |
|  | WATER VALVE |
|  | WELL WATER TANK |
|  | WELL WATER TANK |



1. PHYSICAL ITEMS SHOWN ON THIS SURVEY ARE LIMITED TO THOSE SURFACE ITEMS VISIBLE AT THE DATE OF THIS SURVEY AND FROM AVAILABLE RECORD DATA. SUBSURFACE OBJECTS, IF ANY, MAY NOT BE SHOWN. SAID SUBSURFACE OBJECTS MAY INCLUDE BUT ARE NOT LIMITED TO: MINERAL RIGHTS, UTILITY LINES, CANNON, COFFER DITCHES, SLANDS, SHORING, STRUCTURAL PILES, PILING, UNDERGROUND TANKS, AND ANY OTHER SUBSURFACE STRUCTURES NOT REVEALED BY A SURFACE INSPECTION.
2. DIMENSIONS SHOWN HEREON ARE GROUND DISTANCES IN FEET AND DECIMALS THEREOF.
3. NO PROPERTY CORNERS ARE PROPOSED TO BE SET BY THIS SURVEY.
4. TREE TRAIL LOCATIONS ARE APPROXIMATE. TREES THAT CROSS A PROPERTY LINE AT GROUND LEVEL SHOULD BE CONSIDERED TO BE JOINTLY OWNED BY THE RESPECTIVE PROPERTY OWNERS. CONSULT AN ARBORIST FOR DETAILS.
5. DIMENSIONS FROM HOUSE TO PROPERTY LINE ARE MEASURED FROM THE BUILDING CORNER OF THE STRUCTURE CLOSEST TO THE PROPERTY LINE.

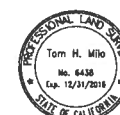
THE CENTERLINE OF ROBIN WAY AS SHOWN AND MONUMENTED ON THAT CERTAIN TRACT MAP NO. 552, THE WILLOWS MAP NO. 3, RECORDED IN BOOK 25 OF MAPS, AT PAGE 37, SAN MATEO COUNTY RECORDS, WAS TAKEN AS S81°58'00"E.

A MAG NAIL WAS SET IN THE STREET IN FRONT OF THE DRIVEWAY OF THE SITE. ELEVATION OF 45.52'

THIS TOPOGRAPHIC SURVEY WAS PERFORMED BY
ME OR UNDER MY DIRECTION.

TOM H. MILD
L.S. 6438 Exp. 12-31-2016

08/13/2015
DATE



BOUNDARY SURVEY AND TOPOGRAPHIC MAP
LANDS OF WATKINS
276 MARMONA DRIVE

California

Mento Park

CONTRACT NO. _____

ENGINEERING

598 E Santa Clara St #270
San Jose, CA 95112
Phone: (408) 808-7187
Fax: (408) 583-4006



PROJECT NO.

| DATE | APP'D | REVISIONS | NO. |
|------|-------|-----------|-----|
|------|-------|-----------|-----|



GARY J. AHERN, AIA
ARCHITECT

RECEIVED

MAR 16 2016

CITY OF MENLO PARK
PLANNING

March 15, 2016

City of Menlo Park Planning Department
701 Laurel St.
Menlo Park, CA 94025

RE: 276 Marmona Drive

Project Description

We are planning a 539 sq.ft. addition and remodel to the existing 1,386 sq.ft. single story, single family residence. Originally built in 1947, the home was constructed with a portion along the Garage side of the house that extends about 4 ½" into the required 5' side-yard setback. That intrusion into the required side-yard setback thus categorizes the entire structure as "existing, non-conforming"

Even though the portion of the existing house that extends into the side yard setback will remain undisturbed, the valuation of the proposed project exceeds the 75% threshold established by the City's 'Nonconforming Structure - New Work Value Calculation' worksheet.

The proposed design will result in a 1,925 sq.ft. single story, single family residence that will be in compliance with all other aspects of the Zoning Ordinance.

The architectural style of the proposed structure can be classified as "Contemporary Craftsman" and will include cement plaster exterior finish with painted wood trim and details, aluminum clad wood windows and asphalt shingle roofing.

We have reached out and shared our plans with our adjacent neighbors and have received unanimous support for the projects.

1150 EL CAMINO REAL
SUITE 200
MENLO PARK, CA 94025

(650) 326 2800 TEL
(650) 326 4590 FAX
gary@garyahern.com

www.garyahern.com

Sincerely,


Gary J. Ahern, AIA
architect

E1

Kielty Arborist Services LLC

Certified Arborist WE#0476A

P.O. Box 6187

San Mateo, CA 94403

650-515-9783

RECEIVED

DEC 07 2015

CITY OF MENLO PARK
BUILDING

August 28, 2015

Brian Watkins / Lisl Shoda
Attn: Mr. Gary Ahern
1150 El Camino Real, #200
Menlo Park, CA 94025

Site: 276 Marmona, Menlo Park, CA

Dear Mr. Watkins,

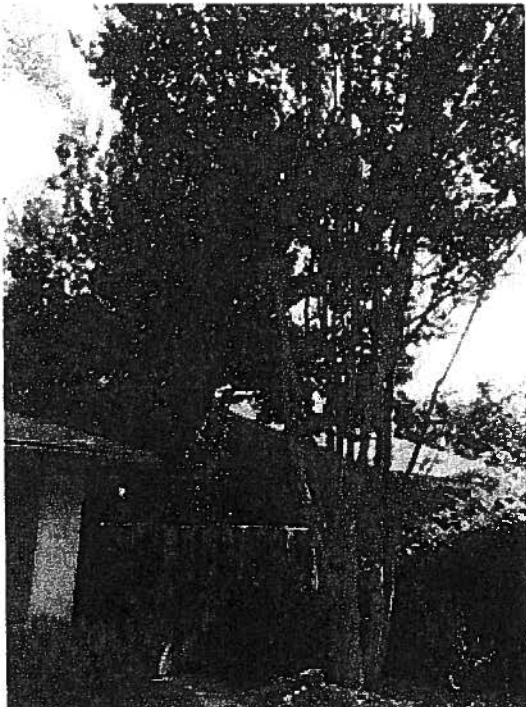
As requested on Wednesday, 26, 2015, I visited the above site to inspect and comment on the trees. A new home addition is planned for this site and your concern for the future health and safety of the trees has prompted this visit.

Method:

All inspections were made from the ground; the tree was not climbed for this inspection. The tree in question was located on a "Not-to-Scale" map provided by me. The tree was then measured for diameter at 54 inches above ground level (DBH or diameter at breast height). The tree was given a condition rating for form and vitality. The trees' condition rating is based on 50 percent vitality and 50 percent form, using the following scale.

- | | | | |
|----|---|-----|-----------|
| 1 | - | 29 | Very Poor |
| 30 | - | 49 | Poor |
| 50 | - | 69 | Fair |
| 70 | - | 89 | Good |
| 90 | - | 100 | Excellent |

The height of the tree was measured using a Nikon Forestry 550 Hypsometer. The spread was paced off. Comments and recommendations for future maintenance are provided.



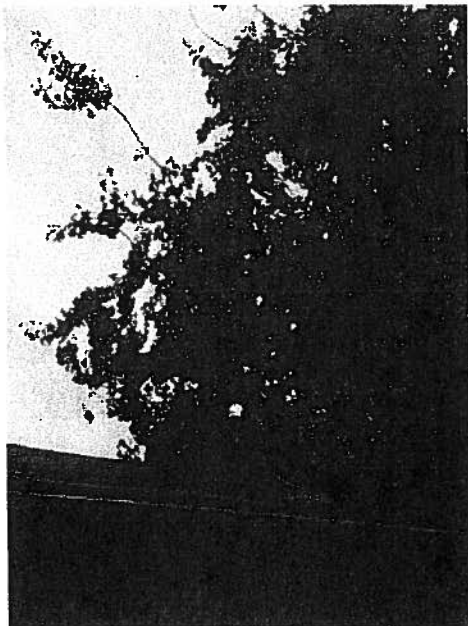
Trees #4 and #5 will be removed to facilitate construction. The trees are still quite small but of protected size.

F1

Survey:

| Tree# | Species | DBH | CON | HT/SP | Comments |
|-------|---|--------------|-----|-------|---|
| 1* | Queen palm (<i>Syagrus romanzoffiana</i>) | 13est | 75 | 30/20 | Good vigor, good form, 10 feet from property line. |
| 2* | Ginkgo (<i>Ginkgo biloba</i>) | 12est | 80 | 35/25 | Good vigor, fair form, 8 feet from rear property line. |
| 3* | English walnut (<i>Juglans regia</i>) | 24est | 65 | 35/35 | Good vigor, fair form, 15 feet from rear property corner. |
| 4X | Flowering pear (<i>Pyrus calleryana</i>) | 16.2 | 45 | 30/30 | Poor to fair vigor, (fire blight), poor form, poor crotches at 6 feet, history of limb Failure. |
| 5X | Crepe myrtle (<i>Lagerstroemia indica</i>) | 16.8 @ base | 55 | 30/25 | Good vigor, poor-fair form, multi leader at base. |
| 6 | Maytens (<i>Maytenus boaria</i>) | 9.8 | 50 | 20/15 | Poor-fair vigor, fair form. |
| 7* | London Plane (<i>Platanus acerifolia</i>) | 24est | 50 | 30/20 | Good vigor, poor-fair form, topped for line clearance. |
| 8* | Privet (<i>Ligustrum japonicum</i>) | 13est @ base | 50 | 25/20 | Good vigor, poor form, multi leader at base. Shares root zone with #7. |

*indicates neighbor's tree X indicates removal planned.

**Summary:**

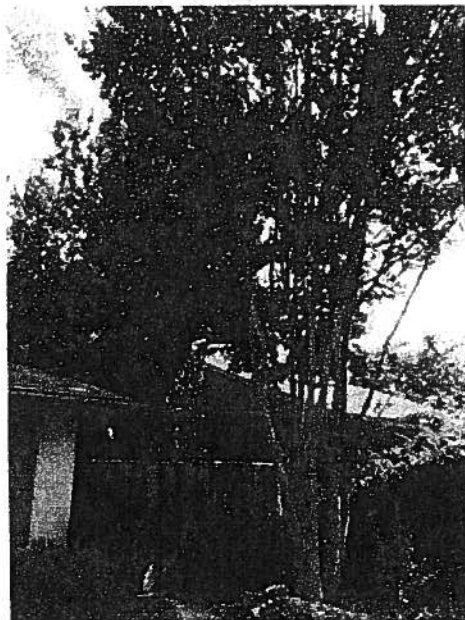
The trees on this site and the neighboring trees are all imported trees. Two protected sized trees will be removed to facilitate the construction. The remaining trees will not be damaged by construction and will be protected as needed.

The flowering pear #4 is a poor specimen with fire blight a fungal disease which kills leaves and stems. Fire blight is a common problem for the species with decline in most flowering pears on the peninsula. The pear has poor crotch formations with a history of limb loss.

Fire blight on the leaves and stems of the pear is a common problem making the species undesirable.



The poor crotches of the pear #4 has led to past limb and leader failure. Future chances of failure are likely.



The crepe myrtle #5 is a multi-leader tree that bifurcates at the base. The vigor of the tree is fair and the form is poor to fair. The tree is poorly located in the buildable area. The crepe myrtle will be replaced at the time of landscaping as required by the city of Menlo Park.

Crepe myrtle #5 has good vigor but poor form, the multi leaders at the base of the tree will eventually lead to leader loss.

Tree Protection Plan:

Tree protection zones should be established and maintained throughout the entire length of the project. Fencing for the protection zones should be 6 foot tall metal chain link type supported by 2 inch metal poles pounded into the ground by no less than 2 feet. The support poles should be spaced no more than 10 feet apart on center. The location for the protection fencing should be as close to the dripline as possible still allowing room for construction to safely continue. Signs should be placed on fencing signifying "Tree Protection Zone - Keep Out".

No materials or equipment should be stored or cleaned inside the tree protection zones. Areas outside the fencing but still beneath the dripline of protected trees, where foot traffic is expected to be heavy, should be mulched with 4 to 6 inches of chipper chips.

Trenching for irrigation, electrical, drainage or any other reason should be hand dug when beneath the driplines of protected trees. Hand digging and carefully laying pipes below or beside protected roots will dramatically reduce root loss of desired trees thus reducing trauma to the entire tree. Trenches should be backfilled as soon as possible with native material and compacted to near its original level. Trenches that must be left exposed for a period of time should also be covered with layers of burlap or straw wattle and kept moist. Plywood over the top of the trench will also help protect exposed roots below.

Normal irrigation should be maintained throughout the entire length of the project. The imported trees on this site will require irrigation during the warm season months. Some irrigation may be required during the winter months depending on the seasonal rainfall. During the summer months the trees on this site should receive heavy flood type irrigation 2 times a month. During the fall and winter 1 time a month should suffice. Mulching the root zone of protected trees will help the soil retain moisture, thus reducing water consumption.

The information included in this report is believed to be true and based on sound arboricultural principles and practices.

Sincerely,

Kevin R. Kielty
Certified Arborist WE#0476A

Morris, Michele T

From: Florencia Dazzi <fdazzi@amsl.com>
Sent: Sunday, January 17, 2016 7:15 PM
To: Morris, Michele T
Subject: Remodel on 276 Marmona Dr.

Michele Morris
Assistant Planner
Menlo Park Planning Division
701 Laurel St.
Menlo Park, CA 94025

Dear Ms. Morris,

We understand that Brian Watkins and Lisl Shoda have submitted a request for a use permit to remodel their single-story residence at 276 Marmona Drive.

We would like to express our support for their plans to upgrade and improve their home.

Sincerely,

Florencia Dazzi & Eric Selvik
717 Gilbert Av.
Menlo Park, CA 94025

61

Morris, Michele T

From: Amanda Bower <amandamaybower@gmail.com>
Sent: Sunday, January 17, 2016 9:12 PM
To: Morris, Michele T
Subject: Re: 276 Marmona Drive

Dear Ms. Morris,

I have reviewed the plans submitted to the city by Brian Watkins and Lisl Shoda, as part of their request for a use permit to remodel their single-story residence at 276 Marmona Drive.

I would like to express my support for these plans to upgrade and improve the home, because I believe the design is in keeping with the character of the Willows neighborhood.

Sincerely,

Amanda Bower
340 Nova Lane
Menlo Park CA 94025.

G2

Morris, Michele T

From: Lisl Shoda <lisl.shoda@gmail.com>
Sent: Monday, January 18, 2016 12:28 PM
To: Morris, Michele T
Cc: Gary J Ahern, AIA; Brian Watkins
Subject: neighborhood support for remodel at 276 Marmona Drive
Attachments: 2016_01_18_Letter_on_276_Marmona_Dr.pdf

Hi Michele,

This past weekend, we invited neighbors to come see our plans to remodel our home at 276 Marmona Drive. I am attaching a letter signed by several neighbors in support of our plans.

We hope this will be taken into consideration as we move forward through the permitting process.

Please feel free to contact me if you have any questions.

Kind regards,
Lisl



Michele Morris
Assistant Planner
Menlo Park Planning Division
701 Laurel St.
Menlo Park, CA 94025

Dear Ms. Morris,

We understand that Brian Watkins and Lisl Shoda have submitted a request for a use permit to remodel their single-story residence at 276 Marmona Drive.

Our signature below reflects our support for their plans to upgrade and improve their home. We hope you will consider this support in the permit decision.

Sincerely,

Walter Bonville
Name: Print & Signature

Marc Mekhor

1/16/16
Date

1/16/16

315 Lexington Ave. Menlo Park, CA
Address

515 Concord Dr., Menlo Park, CA

Tami Daugherty T-Duffy

1/16/16

515 Concord Dr Menlo Park CA

Michael Roda

1/16/16

509 Concord Dr Menlo Park, CA

G4

Michele Morris
Assistant Planner
Menlo Park Planning Division
701 Laurel St.
Menlo Park, CA 94025

Dear Ms. Morris,

We understand that Brian Watkins and Lisl Shoda have submitted a request for a use permit to remodel their single-story residence at 276 Marmona Drive.

Our signature below reflects our support for their plans to upgrade and improve their home. We hope you will consider this support in the permit decision.

Sincerely,

Madeline Jhawar hphar
Name: Print & Signature

1/16/16
Date

440 Gilbert ave, Menlo Park CA 94025
Address

Sanjay Jhawar SSJhawar

1/16/16

440 GILBERT AVE, MENLO PARK

M. Elaine Hammond M. Elaine Hammond 1/16/16

510 Concord Dr., Menlo Park

Richard and Andrea Loftman

1/16/16

506 Concord Dr

65



STAFF REPORT

Planning Commission

Meeting Date:

3/21/2016

Staff Report Number:

16-020-PC

Public Hearing:

Use Permit Revision/Intersect ENT/1555 Adams Drive

Recommendation

Staff recommends that the Planning Commission approve a request for a revision to a use permit, previously approved for the use and storage of hazardous materials in April 2015, to modify the location of the liquid nitrogen storage tank from inside the building to an exterior equipment enclosure in the M-2 (General Industrial) zoning district. The recommended actions are contained within Attachment A.

Policy Issues

Each use permit request is considered individually. The Planning Commission should consider whether the required use permit findings can be made for the proposal.

Background

Site location

The project site is occupied by two research and development (R&D) and manufacturing buildings located at 1555-1605 Adams Drive, which are Buildings 17 and 18 of the Menlo Business Park. A location map is included as Attachment B. Intersect ENT currently occupies approximately half of the subject building (1555 Adams Drive), and recently expanded to the entire building. Hazardous materials are not anticipated to be used and stored on the second floor.

The adjacent parcels to the north, south, and west (using University Avenue in a north to south orientation) are also located in the M-2 zoning district, and primarily contain light industrial, R&D, and office uses. Single-family residences in the City of East Palo Alto are located south of the business park, along Kavanaugh Drive, approximately 700 feet from the subject building. The subject parcel is located approximately 100 feet from Costano Elementary School, which is east of the project site, and 1,000 feet from Green Oaks Academy (grades K-5) and Cesar Chavez Elementary School (grades 6-8), which are located on a shared campus to the southwest of the project site. Both school sites are located within the City of East Palo Alto. In addition, a preschool (Casa dei Bambini) is located at 1215 O'Brien Drive, which is located approximately 1,700 feet from the subject building.

Analysis

Project description

Intersect ENT is a medical device company that is conducting research on site-specific drug delivery methods, focused on advancing clinically proven therapy solutions to improve the quality of life for ear, nose, and throat patients. The company's focus is a new dissolvable steroid-releasing implant to treat patients with chronic sinusitis. As part of the applicant's expansion, Intersect ENT determined that locating a liquid nitrogen tank in the exterior equipment enclosure would be more efficient for the company's operations, as opposed to using individual cylinders within the building. Therefore, at this time, the applicant is requesting a use permit revision to allow for the outside storage of materials and equipment associated with the main use of the building. The applicant has submitted a project description letter that discusses the proposal in more detail (Attachment C).

Hazardous materials

The applicant is not proposing to modify the types and quantities of hazardous materials used and stored on-site. The previously approved use permit identified the following hazardous materials: combustible liquids, corrosives, cryogenics, flammable liquids, flammable solids, highly toxic substances, inert gases, oxidizers, and water reactive chemicals. The project plans (Attachment D) identify the location of the outside storage. Since the locations of the use and storage of hazardous materials within the building are not being modified, the interior project plans have not been included in this application.

The Hazardous Materials Information Form (HMIF) for the project is provided as Attachment E. The HMIF contains a description of how hazardous materials are stored and handled on-site, including the storage of hazardous materials within fire-rated storage cabinets, segregated by hazard class. The applicant indicates that the storage areas would be monitored by lab staff and weekly documented inspections would be performed. The largest waste container would be a 5-gallon container, and all liquid wastes would be secondarily contained. A spill kit would be stored on-site. Licensed contractors are intended to be used to haul off and dispose of the hazardous waste. The HMIF includes a discussion of the applicant's intended training plan, which encompasses the handling of hazardous materials and waste, as well as how to respond in case of an emergency. The applicant indicates that the procedures for notifying emergency response personnel and outside agencies are kept in the site's emergency response plan. Given the proximity of the site to the Hetch Hetchy Right-Of-Way and pipeline, the San Francisco Public Utilities Commission would be included in the emergency contact list. A complete list of the types of chemicals is included in Attachment F.

Staff has included recommended conditions of approval that would limit changes in the use of hazardous materials, require a new business to submit a chemical inventory to seek compliance if the existing use is discontinued, and address violations of other agencies in order to protect the health and safety of the public. In addition, the use and storage of hazardous materials is consistent with other uses in the area.

Outside Storage

The existing building contains an exterior equipment enclosure along the west side of the building. The enclosure currently contains a chiller and air handler unit. The applicant is proposing to locate an approximately 720 liter liquid nitrogen tank within the existing enclosure. The proposed tank and existing

equipment would be screened by the existing 12 foot, four inch green screen enclosure. The lattice enclosure is covered in plantings (vines) to obscure the equipment within the enclosure. All outside storage would be completely screened from the public right-of-way and surrounding properties. Additionally, the outside storage of materials and equipment would not exceed the noise ordinance limits, and would not displace required parking on-site, since it is located within an existing enclosure. Outside storage of materials and equipment is relatively common in the M-2 zoning district.

Agency Review

The Menlo Park Fire Protection District, City of Menlo Park Building Division, West Bay Sanitary District, and San Mateo County Environmental Health Services Division were contacted regarding the proposed relocation of the use and storage of hazardous materials on the project site to the exterior enclosure. Their correspondence has been included as Attachment G. Each entity found the proposal to be in compliance with all applicable standards. Although the subject parcel is located in proximity to residences and schools, there would be no unique requirements for the proposed use, based on the specific types and amounts of chemicals that are proposed.

Correspondence

Staff has not received any correspondence on this project.

Conclusion

Staff believes that the proposed outside storage of liquid nitrogen would be compatible and consistent with other uses in this area. The Hazardous Materials Business Information Form and chemical inventory have been reviewed and approved by the relevant agencies, and include a discussion of the applicant's training plan and protection measures in the event of an emergency. The proposed use permit would allow an existing business to operate more efficiently. Staff recommends that the Planning Commission approve the proposed project.

Impact on City Resources

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

Environmental Review

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

Public Notice

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of publishing a notice in the local newspaper and notification by mail of owners and occupants within a 1,320-foot radius of the subject property.

Attachments

- A. Recommend Actions
- B. Location Map
- C. Project Description Letter
- D. Project Plans
- E. Hazardous Materials Information Form (HMIF)
- F. Chemical Inventory
- G. Hazardous Materials Agency Referral Forms:
 - Menlo Park Fire Protection District
 - San Mateo County Environmental Health Department
 - West Bay Sanitary District
 - Menlo Park Building Division

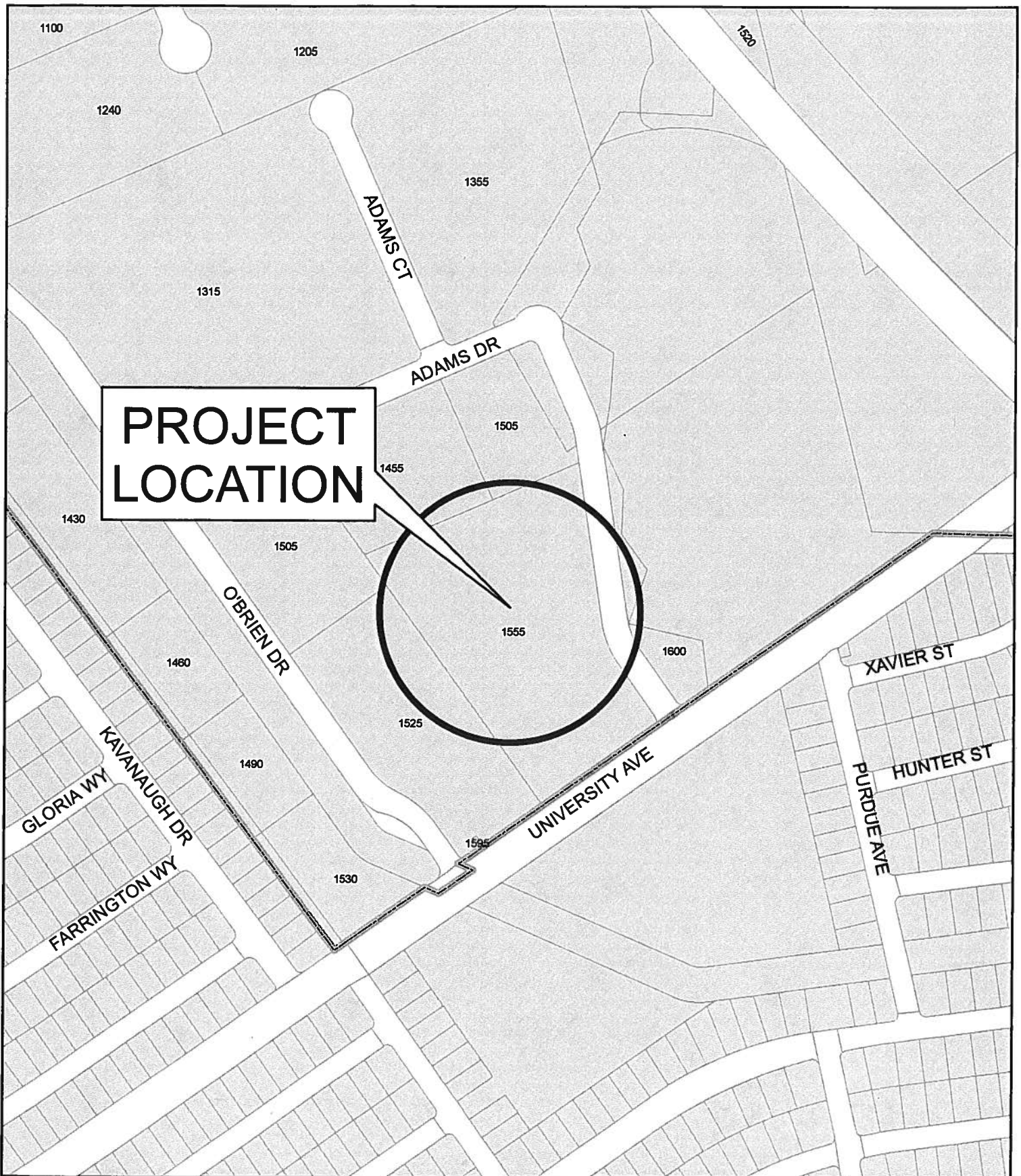
Report prepared by:
Kyle Perata, Senior Planner

Report reviewed by:
Thomas Rogers, Principal Planner

1555 Adams Drive – Attachment A: Recommended Actions

| | | | |
|--|--------------------------------------|---------------------------------|---------------------------------------|
| LOCATION: 1555 Adams Drive | PROJECT NUMBER: PLN2016-00023 | APPLICANT: Intersect ENT | OWNER: MENLO PREHC I LLC ET AL |
| <p>REQUEST: Request for a revision to a use permit, previously approved in April 2015, to modify the location of the liquid nitrogen storage tank from inside the building to an exterior equipment enclosure in the M-2 (General Industrial) zoning district. Hazardous materials are currently used and stored at the site for the research and development, and production of medical technologies for use in treating ear, nose, and throat patients, located at an existing building. At this time the applicant is not requesting to modify the types and quantities of hazardous materials.</p> | | | |
| DECISION ENTITY: Planning Commission | DATE: March 21, 2016 | ACTION: TBD | |
| VOTE: TBD (Combs, Ferrick, Goodhue, Kadvany, Kahle, Onken, Strehl) | | | |
| <p>ACTION:</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> a. Development of the project shall be substantially in conformance with the plans provided by Green Environment, Inc., consisting of seven plan sheets, dated received March 9, 2016, and approved by the Planning Commission on March 21, 2016 except as modified by the conditions contained herein, along with the previously approved plans for the indoor storage and use of hazardous materials approved by the Planning Commission on April 6, 2015, 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. | | | |





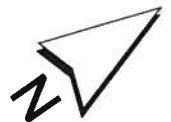
CITY OF MENLO PARK

B1

LOCATION MAP

1555 ADAMS DRIVE

DRAWN: KTP CHECKED: KTP DATE: 03/21/15 SCALE: 1" = 300' SHEET: 1



Intersect ENT Business Summary
and
Discussion of Hazardous Materials Use
February 2016

Intersect ENT, is an innovator in local drug delivery focused on advancing clinically proven therapy solutions that improve quality of life for ear, nose and throat patients.

The company's initial focus is a first-of-its-kind dissolvable steroid-releasing implant to treat patients with chronic sinusitis, a common condition that affects one out of seven adults in the U.S. and greatly impacts quality of life. The PROPEL™ Steroid-Releasing Implant received Pre-market Approval (PMA) from the U.S. Food and Drug Administration (FDA) in August 2011. PROPEL is now commercially available product available in the U.S.

The company holds more than twenty five issued U.S. patents, more than 85 patents, and pending applications worldwide.

The Menlo Park facility serves as an R&D site for new products as well a production site of currently commercialized devices. Some of the process steps for manufacture of the Intersect ENT devices use chemicals. These materials are stored in the manufacturing area as well as other areas of the company in appropriate designated storage cabinets. As production has grown, Intersect ENT has determined that it is more efficient to store liquid nitrogen in a tank, which is then piped to the areas of use, rather than utilize individual cylinders at each point of use. Intersect ENT's previous CUP, approved in 2015, included the quantity of liquid nitrogen currently proposed. However, the application did not allow for exterior storage on any hazardous materials. The new tank will be located outside the rear of the building. This application is not requesting an increase in materials onsite; the only change to the previous inventory is to store the liquid nitrogen outside.

Waste is generated as a result of the manufacturing and R&D activities. Hazardous waste is collected in appropriate containers and disposed of off-site by a licensed contractor. Alternatively, small quantities of hazardous waste may be disposed of through the San Mateo County Very Small Quantity Generator Program.

The development cycle for the Intersect ENT products can range from 6 months to upwards of 2 years from concept to approval for commercialization. The company manufactures devices for evaluation, clinical studies and commercial sale.

The Company currently employs 228 full time employees, and expects to grow to approximately 300 full time employees within a year.

The Company has an air emissions permit for operations at the facility; Intersect ENT's permit number is Plant # 21321.

An industrial wastewater discharge permit was issued for the facility in July 2013. The SBSA issued a Low Volume Discharge Authorization File # 70-60.02 which will remain in effect for 5 years. The authorization will expire in July 2018 and at that time Intersect ENT will apply for a new authorization.



RECEIVED
FEB 09 2016
CITY OF MENLO PARK
BUILDING

RECEIVED

CITY OF MENLO PARK
BUILDING

1555 ADAMS DRIVE, MENLO PARK, CA 94025

 TARLTON

**MENLO BUSINESS
PARK**

TITLE SHEET

DRAWN BY: C. CORRAL
REVIEWED BY: E. MACGREGOR
APPROVED BY: E. MACGREGOR
DES PROJECT NO.: 9688.016

© 2015
SHEET 20

17

G0.01

| SYMBOL LEGEND | | PROJECT DATA | | PROJECT DATA | | SHEET INDEX | | | | | | | | | |
|---|--|--------------|---|--|---|--|--|---|--|--|--|--|--|--|--|
| | ROOM SYMBOL ROOM NAME & NO. | | REVISION SYMBOL ADDITIONAL LETTER S.I. NUMBER REVISION CLOUD | CLIENT: | MENLO PARK PORTFOLIO c/o TARTAN PROPERTIES 1530 O'BRIEN DRIVE, SUITE C, MENLO PARK, CA 94025 PHONE: 650.330.3800 FAX: 650.940.8966 E-MAIL: rforstamayer@tartan.com CONTACT: RON KRETZMEYER | BUILDING CODES: | FIRE PROTECTION: | BUILDING IS PROVIDED WITH AUTOMATIC FIRE SPRINKLER SYSTEM THROUGHOUT. | INSTALLATION OF 100 KW GENERATOR FOR EMERGENCY BACK-UP OF CRITICAL EQUIPMENT | | | | | | |
| | DOOR SYMBOL DOOR NUMBER | | WINDOW SYMBOL WINDOW NUMBER | ARCHITECT: | DES ARCHITECTS + ENGINEERS 399 BRADFORD STREET, REDWOOD CITY, CA 94063 PHONE: 650.364.8453 FAX: 650.364.2818 E-MAIL: emccoy@des-ae.com CONTACT: ELKE MACGREGOR | 2013 CA. ADMINISTRATIVE CODE PART 1 TITLE 24 | SITE AREA: | GROSS: 263,973 SF (6.06 ACRES) NET: 240,573 SF (5.52 ACRES) | | | | | | | |
| | FINISH SYMBOL FINISH NUMBER | | INT. ELEV. SYMBOL ELEVATION ID SHEET NUMBER | GENERAL CONTRACTOR: | CP CONSTRUCTION 6862 MATTHEWS LANDING RD., NEWARK, CA 94560 PHONE: 510.915.1871 CELL PHONE: 650.339.4320 E-MAIL: cpconstruction@mindspring.com CONTACT: LES HELLEWELL | 2013 CA. BUILDING CODE (CBC) CCR TITLE 24, PART 2, VOL. 1 & 2, (2012 IBC WITH CALIFORNIA AMENDMENTS) | BUILDING AREA (BUILDING 17): | FIRST LEVEL = 29,895 SF SECOND LEVEL = 15,425 SF MECH. MEZZANINE = 3,637 SF TOTAL = 48,957 SF | | | | | | | |
| | NOTE SYMBOL KEYNOTE NUMBER | | NORTH ARROW PROJECT NORTH | MECHANICAL ENGINEER: | WESTERN ALLIED MECHANICAL, INC. 1180 O'BRIEN DRIVE, MENLO PARK, CA 94025 PHONE: 650.326.0750 FAX: 650.321.4946 E-MAIL: loneto@westernallied.com CONTACT: LISA ONETO | 2013 CA. ELECTRICAL CODE (CEC) CCR TITLE 24, PART 3 (2011 NEC WITH CALIFORNIA AMENDMENTS) | BUILDING COVERAGE (BUILDING 17 - NO CHANGE): | 31,280 SF. | | | | | | | |
| | DETAIL SYMBOL DETAIL ID SHEET NUMBER | | ELEVATION MARK SUFFIX | ELECTRICAL ENGINEER: | TRI-DAY ELECTRIC 761 EAST BROOKWAY ROAD, SAN JOSE, CA 95112 PHONE: 408.210.6283 FAX: --- E-MAIL: don@tridayelectric.com CONTACT: DON HOOUE | 2013 CA. MECHANICAL CODE (CMC) CCR TITLE 24, PART 4 (2012 UAC WITH CALIFORNIA AMENDMENTS) | AREA OF IMPROVEMENT: | 13,568 SF AT 1ST LEVEL | | | | | | | |
| | WALL SYMBOL WALLTYPE | | CALLOUT TAG PLAN / SECTION | | | 2013 CA. FIRE CODE (CFC) CCR TITLE 24, PART 9 (2012 IFC WITH CALIFORNIA AMENDMENTS) | PARKING REQUIRED: | 325 PER APPROVED MASTER PLAN (332 LESS 7 SPACES FOR ADA STRIPPING) FOR ENTIRE LOT (817 AND 818) | | | | | | | |
| | CALLOUT TAG DETAIL | | CALLOUT TAG DETAIL | | | 2013 CA. ENERGY CODE (CEC) CCR TITLE 24, PART 6 | PARKING PROVIDED: | STANDARD = 320 SPACES H.C. ACCESSIBLE = 14 SPACES VAN ACCESSIBLE = 2 SPACES TOTAL = 334 SPACES | | | | | | | |
| GENERAL NOTES | | | | MENLO BUSINESS PARK SITE MAP | | | | BUILDING 17 SITE PLAN | | | | | | | |
| <ol style="list-style-type: none">ALL MATERIALS AND WORKMANSHIP SHALL CONFORM TO THE PROJECT DOCUMENTS AND THE REQUIREMENTS OF ALL ADOPTED STATE AND LOCAL ORDINANCES AND CODES.PRIOR TO COMMENCING THE WORK, THE CONTRACTOR SHALL EXAMINE ALL CONTRACT DOCUMENTS, FIELD CONDITIONS, DIMENSIONS, ETC. FOR ACCURACY AND TO CONFIRM THAT THE WORK IS FEASIBLE. IF SHOWN, THE CONTRACTOR SHALL PROMPTLY INFORM THE ARCHITECT, IN WRITING, OF ANY DISCREPANCIES AND SHALL OBTAIN CLARIFICATION FROM THE ARCHITECT PRIOR TO PROCEEDING WITH THE WORK IN QUESTION OR WITH ANY RELATED WORK.WHEN INSTALLING DRILLED-IN ANCHORS AND/OR POWDER DRIVEN PINS IN NON-ANCHORED REINFORCED CONCRETE, USE CAUTION TO AVOID CUTTING OR DAMAGING THE EXISTING REINFORCING BARS.THE ARCHITECT HAS VERIFIED EXISTING OBSERVABLE CONDITIONS AND PREPARED THESE DRAWINGS IN ACCORDANCE WITH GENERALLY ACCEPTED PRACTICE. FOR THEIR USE IN SHOWING EXISTING CONDITIONS, THE ARCHITECT MAKES NO WARRANTY, EITHER EXPRESSED OR IMPLIED, FOR THE ACCURACY OR COMPLETENESS OF THE EXISTING INFORMATION RECORDED.CONTRACTOR SHALL VERIFY AND COORDINATE WALLS AND FINISH THAT REQUIRE A NON-TYPICAL THICKNESS DUE TO STRUCTURAL, ELECTRICAL, MECHANICAL, EQUIPMENT OR OTHER REQUIREMENTS.THE CONTRACTOR SHALL REPLACE OR REPAIR, AT HIS OWN EXPENSE, ALL DAMAGED, REMOVED OR OTHERWISE DISTURBED UTILITIES, IMPROVEMENTS OR FEATURES OF WHATEVER NATURE, TO THEIR ORIGINAL CONDITION, WHETHER SHOWN ON THE DRAWINGS OR NOT.CONCEALED INSULATION SHALL CONFORM TO THE REQUIREMENTS OF THE 2013 CBC. INSULATION SHALL HAVE A FLAME SPREAD INDEX NOT MORE THAN 25 AND A SMOKE-DEVELOPED INDEX OF NOT MORE THAN 450 WHEN TESTED IN ACCORDANCE WITH ASTM E84.COMPLIANCE WITH 2013 CFC CHAPTER 14 "FIRE SAFETY DURING CONSTRUCTION AND DEMOLITION" IS MANDATORY.FIRE SPRINKLERS SHALL COMPLY WITH 2013 CBC CHAPTER 9 AND 2013 CFC AND SHALL BE SUBMITTED FOR REVIEW TO LOCAL AUTHORITIES PRIOR TO CONSTRUCTION. CONCEALED SPACES SHALL BE SPRINKLED.THIS BUILDING IS COMPLIANT WITH CBC 11B-3024 INCLUDING ACCESSIBLE PRIMARY ENTRANCE TO THE BUILDING, PRIMARY PATH OF TRAVEL TO REMODEL SPACES, TOILET FACILITIES, STORAGE, AND PARKING FACILITIES.THIS BUILDING IS HAS ONE CONTROL AREA FOR HAZ. MAT. | | | | <p>PROJECT LOCATION</p> <p>1 SITE MAP SCALE 1/8" = 1'-0"</p> | | | | <p>AREA OF WORK</p> <p>2 ENLARGED SITE PLAN SCALE 1/4" = 1'-0"</p> | | | | <p>GENERAL</p> <p>G0.01 TITLE SHEET G0.02 ABBREVIATIONS AND OUTLINE SPECIFICATIONS</p> <p>ARCHITECTURAL</p> <p>A1.01 SITE PLAN AND STRUCTURAL DETAILS</p> <p>STRUCTURAL</p> <p>S1.01 EQUIPMENT PLAN / DETAILS</p> | | | |

399 Bradford Street, Redwood City, CA 94063
Tel: (650) 364-6453
Fax: (650) 364-2618
www.des-ar.com

1530 O'Brien Drive
Menlo Park, CA 94025

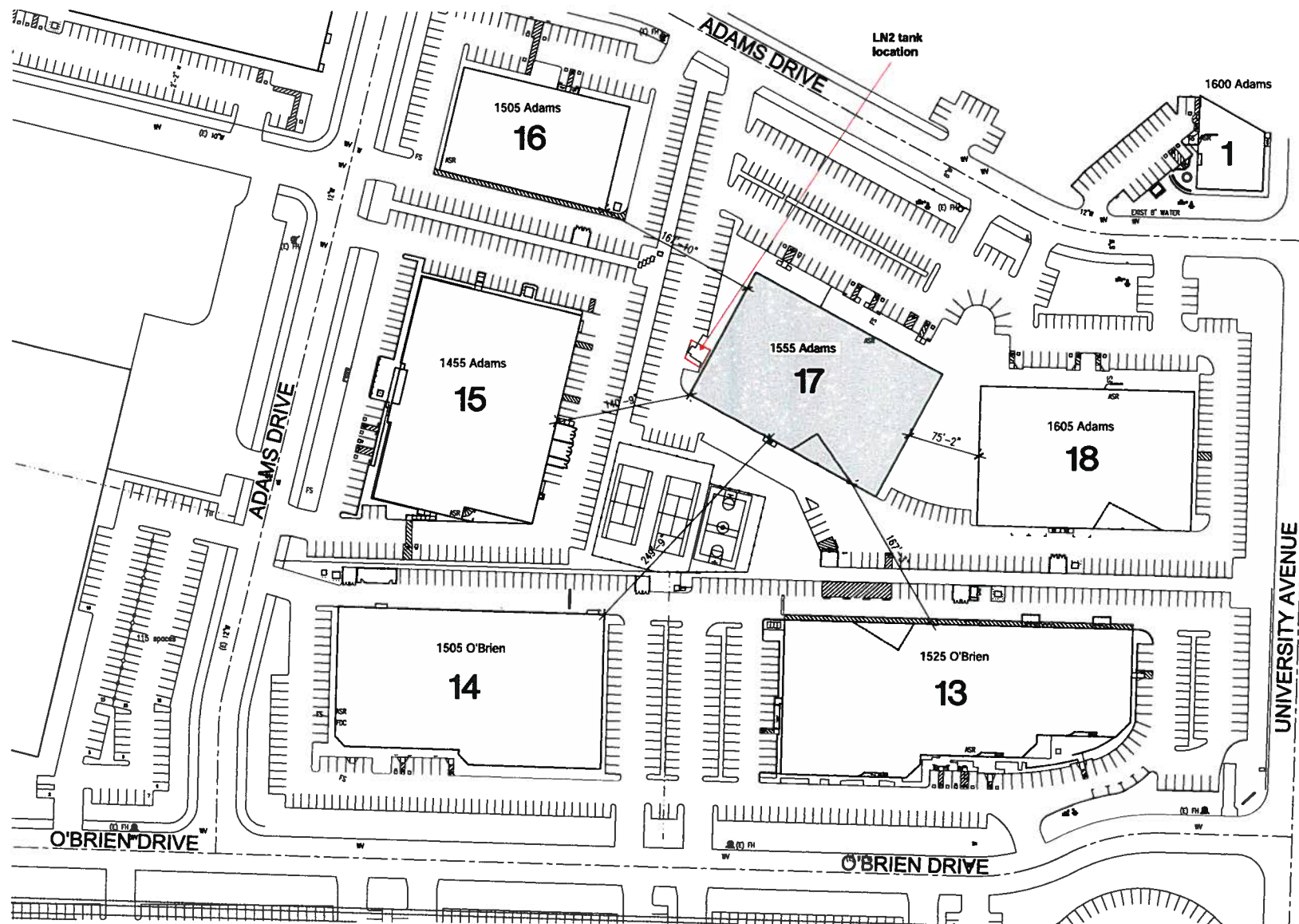
BUILDING 17
1555 Adams Drive
Menlo Park, CA 94025

| | | |
|--------|----------|-----------------|
| ISSUE: | DATE: | DESCRIPTION: |
| | 03.14.12 | C.I.P. SUBMITAL |

DRAWN BY: J. POWERS
REVIEWED BY: E. MACGREGOR
APPROVED BY:
DES PROJECT NO: 9688.014

© 2012
SHEET NO.

17 G0.03



① AREA PLAN



D2

399 Bradford Street, Redwood City, CA 94063
Tel: (650) 364-6453
Fax: (650) 364-2618
www.des-ae.com

Tel: (650) 364-6453

Fax: (650) 364-2618

www.des-ae.com

1530 O'Brien Drive
Menlo Park, CA 94025

BUILDING 17
1555 Adams Drive
Menlo Park, CA 94025

SITE PLAN AND STRUCTURAL DETAILS

[illegible]

DRAWN BY: Q. CORRAL

REVIEWED BY: E. MACGREGOR

APPROVED BY: E. MCGEEHAN

PROJ. NO. 0688 016



© 2015
SHEET NO.

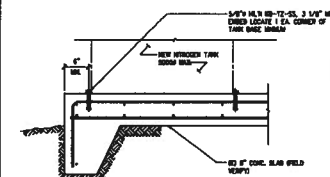
17

A1.01

GLD 0

1

1



④ **NITROGEN TANK** FLJ Item: 2000000-00 Item No: 000000

COPYING

1. ALL EXISTING PAVING, ACCESSIBLE PAVING, AND ACCESSIBLE PATHWAYS TO REMAIN.
2. EXISTING ACCESSIBLE PAVES AND PARKING HAS BEEN REVIEWED AND ARE IN COMPLIANCE WITH CURRENT CODES.
3. PROJECT SCOPE IS LIMITED TO EXTERIOR IMPROVEMENTS FOR GENERATOR.

LEARNING

AREA NOT IN PROJECT SCOPE

RESEARCH DESIGN

- L. OFFERED TEMPORARILY FOR 30 MINUTES EACH TWO WEEKS

BUILDING 17

(N)
NITROGEN
TANK

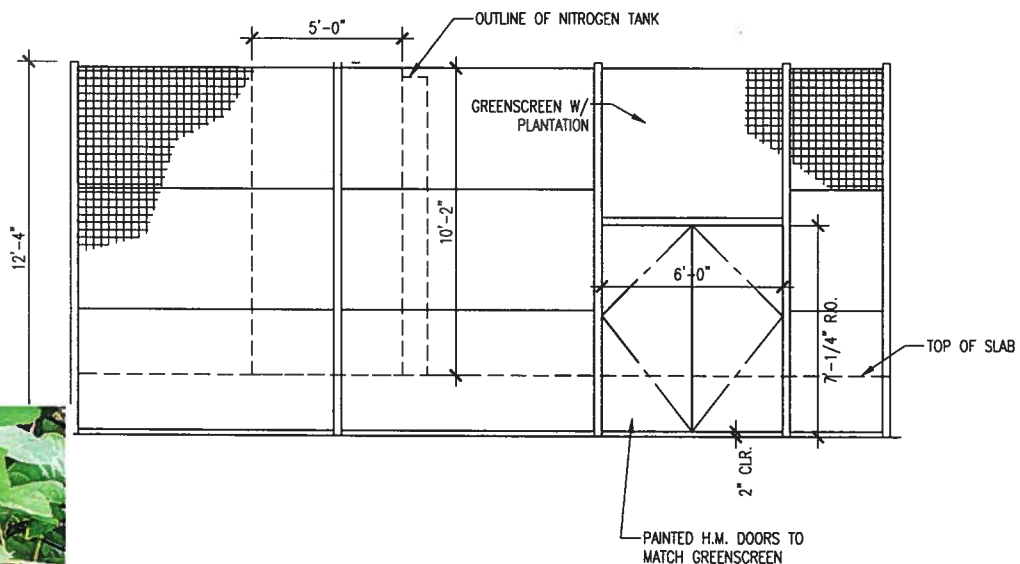
Floor plan of the 1st floor of the building. The plan shows various rooms and equipment. A circular area is labeled "(N) NITROGEN TANK". A rectangular area is labeled "COND. P.D. #10". Other labels include "ELECT.", "COND. P.D. #2", "AIR HANDLER", and "ELECT.".

**3 SITE PLAN
FOR REFERENCE ONLY**



100% Pure

124

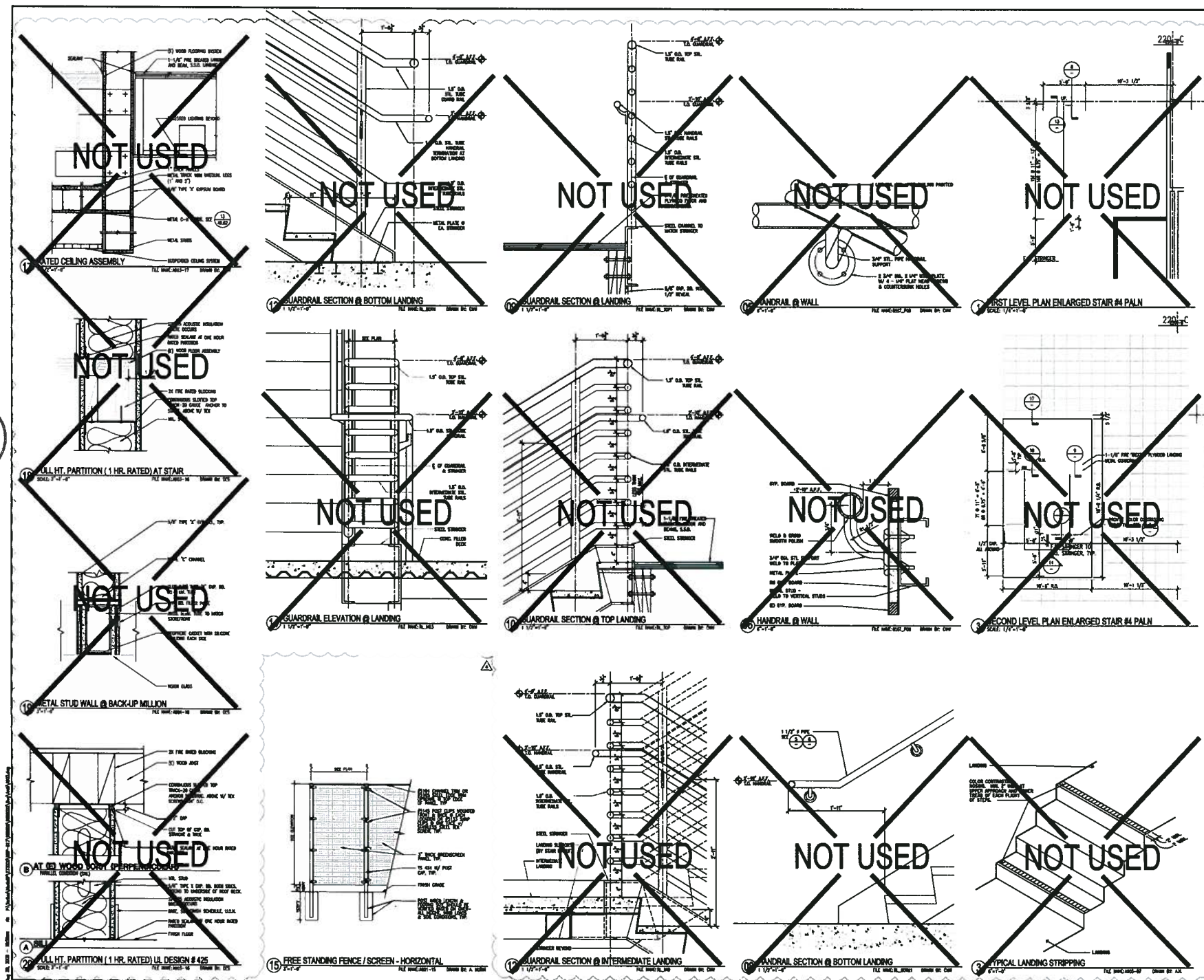


| | | | | | | |
|---------------------------------------|--|--|-------------------------------|--|--|--|
| DES ARCHITECTS ENGINEERS | 399 Bradford Street Redwood City, Ca. 94063 Tel: 650.364.6453 Fax: 650.364.2618 www.des-de.com | | RTO ENCLOSURE FRONT ELEVATION | | SCALE DATE: 1/1/11 COMMENTS: ALL DESIGNED BY: L. MANDRICH PROJECT NO.: 94588.01.6 | REFERENCE SHEET NO.: 01 RMA SHEET: |
| | | | | | | |
| | | | | | | |
| | | | | | | |

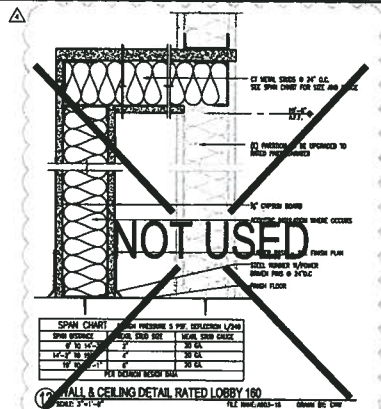
TARLTON

| ISSUE: | DATE: | DESCRIPTION: |
|--------|----------|-----------------------------|
| 1 | 10/09/07 | PLAN CHECK RESPONSE/S.I. #1 |
| 2 | 10/25/07 | PLAN CHECK RESPONSE/S.I. #2 |
| 4 | 07/03/08 | S.I. #4 |

| | |
|------------------|----------|
| CRASH BY: | GH |
| REVIEWED BY: | CHW |
| APPROVED BY: | EM |
| DES PROJECT NO.: | 9688.002 |

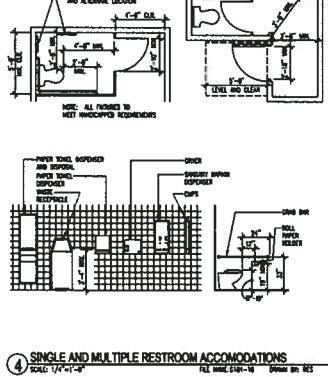
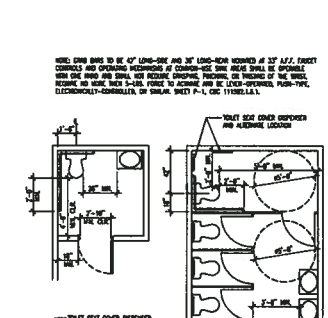
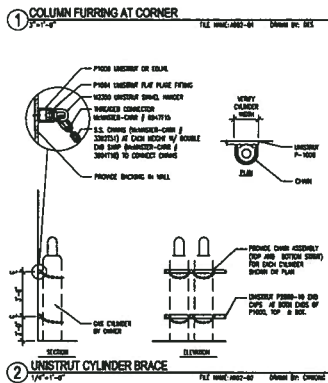
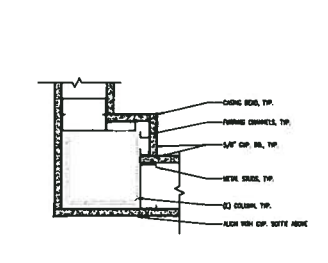
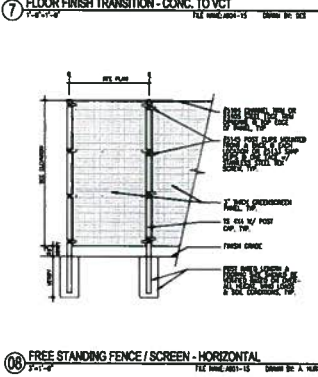
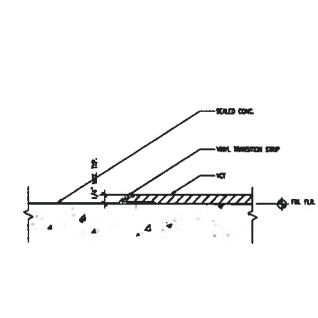
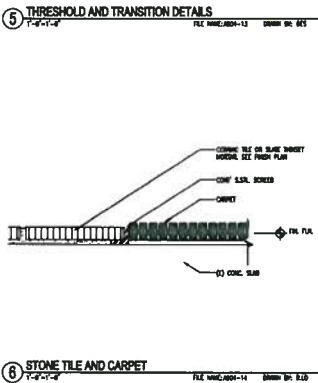
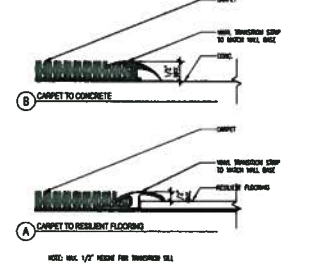
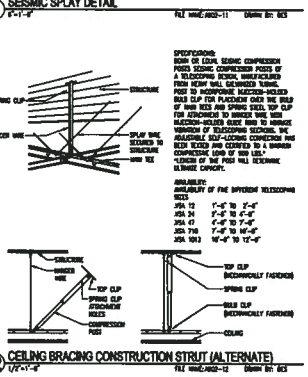
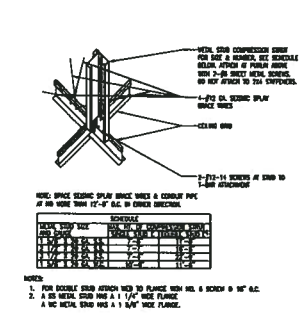
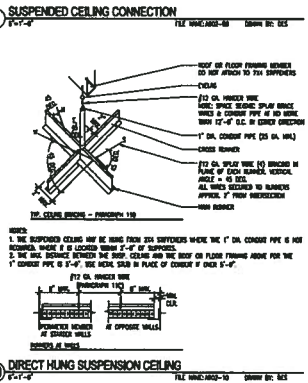
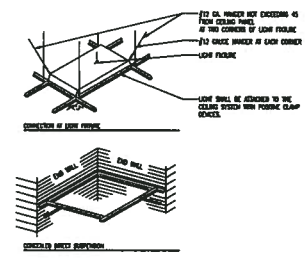
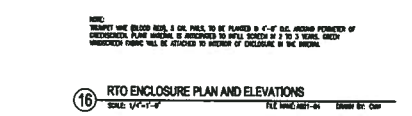
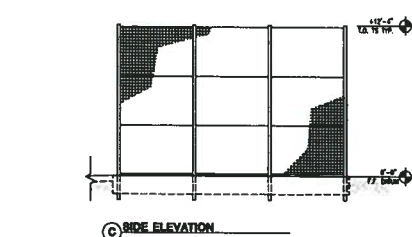
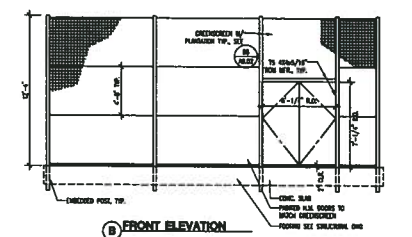
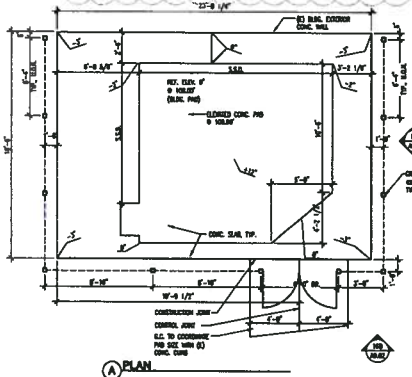


96



SPAN CHART

| SPAN (FEET) | MINIMUM PRESSURE (PSF) | MAXIMUM PRESSURE (PSF) |
|-------------|------------------------|------------------------|
| 0 TO 10 | 10 | 10 |
| 10 TO 20 | 10 | 10 |
| 20 TO 30 | 10 | 10 |
| 30 TO 40 | 10 | 10 |
| 40 TO 50 | 10 | 10 |
| 50 TO 60 | 10 | 10 |
| 60 TO 70 | 10 | 10 |
| 70 TO 80 | 10 | 10 |
| 80 TO 90 | 10 | 10 |
| 90 TO 100 | 10 | 10 |



DES ARCHITECTS ENGINEERS
399 Bradford Street, Redwood City, CA 94063
Tel: (650) 364-6453
Fax: (650) 364-2618
www.des-ae.com

LION CELLS
TARLTON PROPERTIES
955 Alma Street
Palo Alto, CA 94301

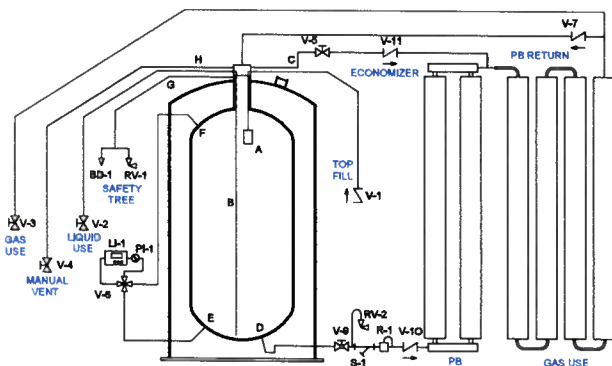
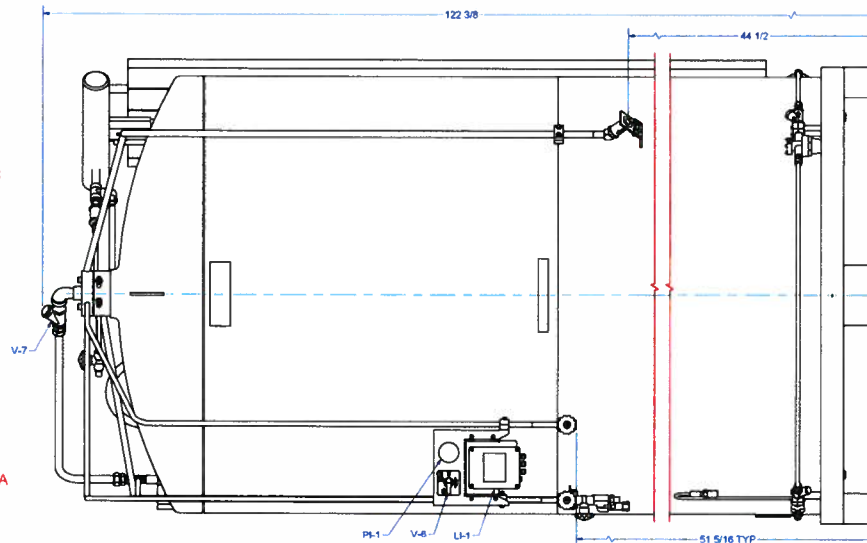
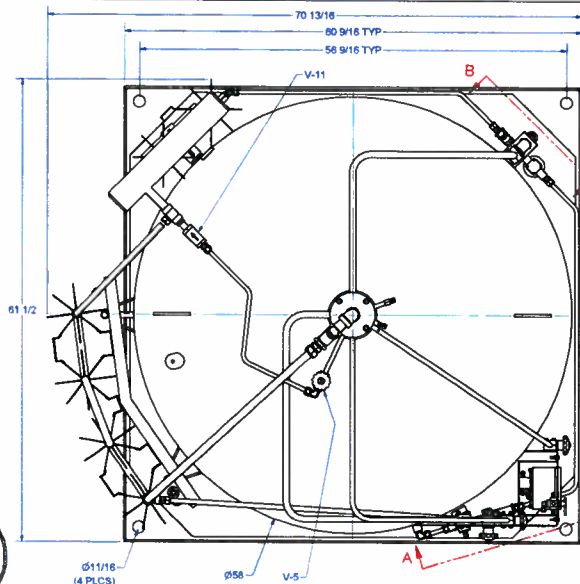
MENLO BUSINESS PARK
BUILDING 17
1555 Adams Drive
Menlo Park, CA 94025

INTERIOR DETAILS

| DATE | DESCRIPTION |
|----------|---------------------------|
| 08/21/07 | ISSUE FOR BUILDING PERMIT |
| 10/26/07 | PLAN CHECK RESPONSE #1 |
| 10/26/07 | PLAN CHECK RESPONSE #2 |
| 07/23/08 | #1 |

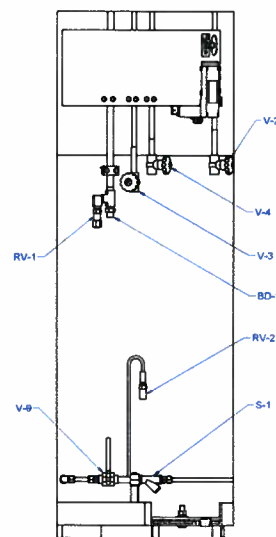
DESIGN BY: CH
REVIEWED BY: CHW
APPROVED BY: CH
DES PROJECT NO.: 9688.002

© 2007
SHEET NO. **17**
A9.02
SCALE: 1/4"=1'-0"

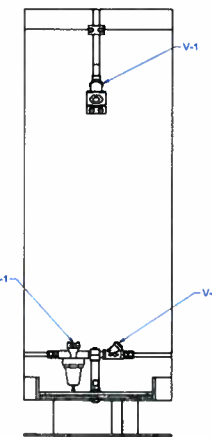


SCHEMATIC

| NOMENCLATURE | DESCRIPTION |
|--------------|-----------------------|
| V-1 | TOP FILL CHECK VALVE |
| V-2 | LIQUID VALVE |
| V-3 | GAS VALVE |
| V-4 | VENT VALVE |
| V-5 | ECON VALVE |
| V-6 | SAFETY VALVE |
| V-7 | PB RETURN CHECK VALVE |
| V-8 | PB BALL VALVE |
| V-9 | PB CHECK VALVE |
| V-10 | PB CHECK VALVE |
| V-11 | PB CHECK VALVE |
| V-12 | PB CHECK VALVE |
| V-13 | PB CHECK VALVE |
| V-14 | PB CHECK VALVE |
| V-15 | PB CHECK VALVE |
| V-16 | PB CHECK VALVE |
| V-17 | PB CHECK VALVE |
| V-18 | PB CHECK VALVE |
| V-19 | PB CHECK VALVE |
| V-20 | PB CHECK VALVE |
| V-21 | PB CHECK VALVE |
| V-22 | PB CHECK VALVE |
| V-23 | PB CHECK VALVE |
| V-24 | PB CHECK VALVE |
| V-25 | PB CHECK VALVE |
| V-26 | PB CHECK VALVE |
| V-27 | PB CHECK VALVE |
| V-28 | PB CHECK VALVE |
| V-29 | PB CHECK VALVE |
| V-30 | PB CHECK VALVE |
| V-31 | PB CHECK VALVE |
| V-32 | PB CHECK VALVE |
| V-33 | PB CHECK VALVE |
| V-34 | PB CHECK VALVE |
| V-35 | PB CHECK VALVE |
| V-36 | PB CHECK VALVE |
| V-37 | PB CHECK VALVE |
| V-38 | PB CHECK VALVE |
| V-39 | PB CHECK VALVE |
| V-40 | PB CHECK VALVE |
| V-41 | PB CHECK VALVE |
| V-42 | PB CHECK VALVE |
| V-43 | PB CHECK VALVE |
| V-44 | PB CHECK VALVE |
| V-45 | PB CHECK VALVE |
| V-46 | PB CHECK VALVE |
| V-47 | PB CHECK VALVE |
| V-48 | PB CHECK VALVE |
| V-49 | PB CHECK VALVE |
| V-50 | PB CHECK VALVE |
| V-51 | PB CHECK VALVE |
| V-52 | PB CHECK VALVE |
| V-53 | PB CHECK VALVE |
| V-54 | PB CHECK VALVE |
| V-55 | PB CHECK VALVE |
| V-56 | PB CHECK VALVE |
| V-57 | PB CHECK VALVE |
| V-58 | PB CHECK VALVE |
| V-59 | PB CHECK VALVE |
| V-60 | PB CHECK VALVE |
| V-61 | PB CHECK VALVE |
| V-62 | PB CHECK VALVE |
| V-63 | PB CHECK VALVE |
| V-64 | PB CHECK VALVE |
| V-65 | PB CHECK VALVE |
| V-66 | PB CHECK VALVE |
| V-67 | PB CHECK VALVE |
| V-68 | PB CHECK VALVE |
| V-69 | PB CHECK VALVE |
| V-70 | PB CHECK VALVE |
| V-71 | PB CHECK VALVE |
| V-72 | PB CHECK VALVE |
| V-73 | PB CHECK VALVE |
| V-74 | PB CHECK VALVE |
| V-75 | PB CHECK VALVE |
| V-76 | PB CHECK VALVE |
| V-77 | PB CHECK VALVE |
| V-78 | PB CHECK VALVE |
| V-79 | PB CHECK VALVE |
| V-80 | PB CHECK VALVE |
| V-81 | PB CHECK VALVE |
| V-82 | PB CHECK VALVE |
| V-83 | PB CHECK VALVE |
| V-84 | PB CHECK VALVE |
| V-85 | PB CHECK VALVE |
| V-86 | PB CHECK VALVE |
| V-87 | PB CHECK VALVE |
| V-88 | PB CHECK VALVE |
| V-89 | PB CHECK VALVE |
| V-90 | PB CHECK VALVE |
| V-91 | PB CHECK VALVE |
| V-92 | PB CHECK VALVE |
| V-93 | PB CHECK VALVE |
| V-94 | PB CHECK VALVE |
| V-95 | PB CHECK VALVE |
| V-96 | PB CHECK VALVE |
| V-97 | PB CHECK VALVE |
| V-98 | PB CHECK VALVE |
| V-99 | PB CHECK VALVE |
| V-100 | PB CHECK VALVE |



SECTION A-A
SCALE 1/8



SECTION B-B
SCALE 1/8

| DESIGN SPECIFICATION | | | | | |
|---|------------------------|-------|--------------------------------|--------------|---------|
| ITEM | PERMA V-3001 | | | | |
| COKE | COKE TYPE: V-100 LIT 1 | | | | |
| RELIEF SETTING MAWP | COKE TYPE: V-100 LIT 1 | | | | |
| COKE VOLUME | COKE TYPE: V-100 LIT 1 | | | | |
| NET VOLUME | COKE TYPE: V-100 LIT 1 | | | | |
| DATE WEIGHT | COKE TYPE: V-100 LIT 1 | | | | |
| NORMAL EVAPORATION RATE | COKE TYPE: V-100 LIT 1 | | | | |
| MATERIAL | COKE TYPE: V-100 LIT 1 | | | | |
| GASEOUS EQUIVALENT AT 1 ATM AND 70°F 1 ATM AND 70°F | | | | | |
| NITROGEN | COKE TYPE: V-100 LIT 1 | | | | |
| COKE | COKE TYPE: V-100 LIT 1 | | | | |
| COKE | COKE TYPE: V-100 LIT 1 | | | | |
| COKE | COKE TYPE: V-100 LIT 1 | | | | |
| GAS DELIVERY RATE | | | | | |
| NITROGEN | COKE TYPE: V-100 LIT 1 | | | | |
| COKE | COKE TYPE: V-100 LIT 1 | | | | |
| COKE | COKE TYPE: V-100 LIT 1 | | | | |
| COKE | COKE TYPE: V-100 LIT 1 | | | | |
| PARTS LIST | | | | | |
| ITEM | QTY | UNIT | DESCRIPTION | MANUFACTURER | REMARKS |
| V-1 | 1 | VALVE | TOP FILL CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-2 | 1 | VALVE | LIQUID VALVE 1/2" NPT | VALVE | VALVE |
| V-3 | 1 | VALVE | GAS VALVE 1/2" NPT | VALVE | VALVE |
| V-4 | 1 | VALVE | VENT VALVE 1/2" NPT | VALVE | VALVE |
| V-5 | 1 | VALVE | ECON VALVE 1/2" NPT | VALVE | VALVE |
| V-6 | 1 | VALVE | SAFETY VALVE 1/2" NPT | VALVE | VALVE |
| V-7 | 1 | VALVE | PB RETURN CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-8 | 1 | VALVE | PB BALL VALVE 1/2" NPT | VALVE | VALVE |
| V-9 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-10 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-11 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-12 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-13 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-14 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-15 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-16 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-17 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-18 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-19 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-20 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-21 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-22 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-23 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-24 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-25 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-26 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-27 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-28 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-29 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-30 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-31 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-32 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-33 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-34 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-35 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-36 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-37 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-38 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-39 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-40 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-41 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-42 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-43 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-44 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-45 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-46 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-47 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-48 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-49 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-50 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-51 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-52 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-53 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-54 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-55 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-56 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-57 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-58 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-59 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-60 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-61 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-62 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-63 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-64 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-65 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-66 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-67 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-68 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-69 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-70 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-71 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-72 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-73 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-74 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-75 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-76 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-77 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-78 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-79 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-80 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-81 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-82 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-83 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-84 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-85 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-86 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-87 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-88 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-89 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-90 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-91 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-92 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-93 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-94 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-95 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-96 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-97 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-98 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-99 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |
| V-100 | 1 | VALVE | PB CHECK VALVE 1/2" NPT | VALVE | VALVE |

| | | | | |
|---|-----------|--------------------------------------|--------------|------|
| REV/APPV | ECR | REVISION DESCRIPTION | BY | DATE |
| 1 | | 200180 ADD CLAMP 2 CHO VALVE SECT. A | MCB | |
| THESE DETAILS AND INFORMATION INCLUDING THE PRINCIPLES OF DESIGN PRESENTED BY THE POINT OF THE EVALUATION PROPERTY OF CHART INC. AND IS CONFIDENTIAL. | | | | |
| INFORMATION ACCORDING TO THE INFORMATION IS SUBMITTED TO THE POINT OF THE EVALUATION PROPERTY OF CHART INC. AND IS CONFIDENTIAL. | | | | |
| COPIES OR LOANS, IN WHOLE OR IN PART, FOR THE INFORMATION TO BE RELAYED TO ANY COMPANY, WITHOUT THE WRITTEN PERMISSION OF CHART INC. IS PROHIBITED. | | | | |
| DESIGNATES A NOTE REFERENCE. | | | | |
| MATERIAL | | SEE PARTS LIST | | |
| FINISH P/N | | 14693320 | | |
| APPV | DATE | USED ON | ORIGINAL ECR | |
| 1 | 3/10/2010 | 207864 | | |
| 2 | 3/10/2010 | 207864 | | |
| SPEC DWG PERMA-CYL 3000VHP OPT 09 | | | | |
| D-14693320 | | | | |
| 1 of 1 | | | | |



**COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION**

RECEIVED

FEB 09 2016

CITY OF MENLO PARK
BUILDING

701 Laurel Street
Menlo Park, CA 94025
phone: (650) 330-6702
fax: (650) 327-1653
planning@menlopark.org
<http://www.menlopark.org>

HAZARDOUS MATERIALS INFORMATION FORM

In order to help inform City Staff and the external reviewing agencies, the Planning Division requires the submittal of this form. If the use permit application is approved, applicants are required to submit the necessary forms and obtain the necessary permits from the Menlo Park Fire Protection District, San Mateo County Environmental Health Services Division, West Bay Sanitary District, and other applicable agencies. Please complete this form and attach additional sheets as necessary.

1. List the types of hazardous materials by California Fire Code (CFC) classifications. This list must be consistent with the proposed Hazardous Materials Inventory Statement (HMIS), sometimes referred to as a Chemical Inventory. (The HMIS is a separate submittal.)

Please see attached spreadsheet.

2. Describe how hazardous materials are handled, stored and monitored to prevent or minimize a spill or release from occurring (e.g., secondary containment, segregation of incompatibles, daily visual monitoring, and flammable storage cabinets).

Hazardous materials are stored within flammable storage cabinets and segregated by hazard class. Storage areas for chemicals are monitored by lab staff during normal business hours (visual). Liquid nitrogen will be stored in a tank located on the exterior of the facility. Weekly documented inspections of hazardous waste storage areas are performed.

3. Identify the largest container of chemical waste proposed to be stored at the site. Please identify whether the waste is liquid or solid form, and general safeguards that are used to reduce leaks and spills.

The largest waste container is a 55-gallon drum, used to store solid wastes such as solvent-contaminated wipes. Each drum holds approximately 100 lb of waste. Liquid wastes are collected in 5-gallon containers. All liquid wastes are secondarily contained, and a Spill Kit is stored on site.



4. Please explain how hazardous waste will be removed from the site (i.e. licensed haulers, or specially trained personnel).

Licensed waste haulers are used.

5. Describe employee training as it pertains to the following:

- a. Safe handling and management of hazardous materials or wastes;
- b. Notification and evacuation of facility personnel and visitors;
- c. Notification of local emergency responders and other agencies;
- d. Use and maintenance of emergency response equipment;
- e. Implementation of emergency response procedures; and
- f. Underground Storage Tank (UST) monitoring and release response procedures.

Lab employees receive training on management of chemicals and waste. All employees receive training on what to do in case of emergencies, including chemical spills. The site's emergency response plan includes procedures to notify first responders and make reports to outside agencies. All employees receive emergency response training upon hire and annually thereafter. There are no USTs at the site.

6. Describe documentation and record keeping procedures for training activities.

All training is documented, and training records are kept by Document Control.

7. Describe procedures for notifying onsite emergency response personnel and outside agencies (e.g. Fire, Health, Sanitary Agency-Treatment Plant, Police, State Office of Emergency Services "OES") needed during hazardous materials emergencies.

The procedures for notifying emergency response personnel and outside agencies are contained in the site's written emergency response plan. This plan describes various emergency scenarios and specifically who to call and how to respond, internally and in conjunction with responding agencies, including SFPUC.

8. Describe procedures for immediate inspection, isolation, and shutdown of equipment or systems that may be involved in a hazardous materials release or threatened release.

EHS/Facilities personnel are authorized to shut down utilities if a spill requires such action. Spills are contained using materials from Spill Kit, and if larger than internal capabilities, the outside emergency response contractor is called. If danger exists, MP FPD is also called.

9. Identify the nearest hospital or urgent care center expected to be used during an emergency.

Stanford Hospital, Palo Alto

v:\handouts\approved\hazardous materials information form.doc



IntersectENT Chemical Inventory

| Chemical | Primary Hazard | Secondary Hazard | S,L,G | Initial Storage Qty | 3 Year Projected Qty | Largest Container | Qty in Open Use |
|---|----------------|------------------|-------|---------------------|----------------------|-------------------------|-----------------|
| Methylene Chloride | Carcinogen | Irritant | L | 1 L | 0.5 gal | .25 gal | 1 L |
| Total Carcinogens | | | | | 0.5 gal | | |
| Liquid Nitrogen | cryogen | | cryo | 720 L | 590 gal | 792 gal | NA |
| Total Cryogens | | | | | 1,000 gal | | |
| Acetic Acid (Glacial acetic acid) | Corrosive | Flam | L | 4 L | 4 gal | 1 L | 1 L |
| Total Corrosives | | | | | 4 gal | | |
| Acetone | Flam IB | Irritant | L | 40 gal | 120 gal | 4 L | 8 gal |
| Acetonitrile | Flam IB | Irritant | L | 40 L | 30 gal | 4 L | 8 L |
| Ethanol (Ethyl alcohol) | Flam IB | Irritant | L | 1 L | 1 gal | 1 L | 500ml |
| Isopropyl Alcohol | Flam IB | Irritant | L | 36 gal | 108 gal | 20 L | 5 gal |
| Methanol | Flam IB | Toxic | L | 1 L | 4 gal | 1 L | 1 L |
| Misc. Cleaners/solvents | Flam IB | Irritant | L | 4 gal | 8 gal | 1 gal | 1 gal |
| Solvent wastes | Flam IB | Irritant | L | 20 gal | 60 gal | 5 gal | 5 gal |
| Total Flammable IB | | | | | 331 gal | | |
| Methyl Sulfoxide (Dimethyl Sulfoxide) | Comb IIIA | Irritant | L | 500 ml | 2 L | 500 ml | 100 ml |
| Misc. Lubricants | Comb IIIA | Irritant | L | 5 gal | 15 gal | 5 gal | 1 gal |
| Total Combustible IIIA | | | | | 15.5 gal | | |
| Solvent-contaminated solid wastes | Misc | Irritant | S | 200 lbs | 600 lbs | 100 lb (55 gallon drum) | 100 lb |
| Irritants and other materials not regulated by Fire Code not listed | | | | | | | |

FEB 09 2016

CITY OF MENLO PARK
3/5/2015 BUILDING




**DEVELOPMENT SERVICES
PLANNING DIVISION**
Contact: Kyle Perata 650-330- 6721 or
ktperata@menlopark.org
701 Laurel Street
Menlo Park, CA 94025
PHONE (650) 330-6702
FAX (650) 327-1653

AGENCY REFERRAL FORM
RETURN DUE DATE: Tuesday, March 1, 2016

DATE: February 16, 2016

TO: MENLO PARK FIRE PROTECTION DISTRICT
Jon Johnston
170 Middlefield Road
Menlo Park, CA 94025
(650) 323-2407

| | |
|---|--|
| Applicant | IntersectENT |
| Applicant's Address | 1555 Adams Drive, Menlo Park, CA 94025 |
| Telephone/FAX | Tel: 650-508-8018 (Ellen Ackerman, EHS Consultant) |
| Contact Person | Ellen Ackerman |
| Business Name | IntersectENT |
| Type of Business | Research and development and production of medical technologies for use in treating ear, nose, and throat patients. The company received a use permit for the use and storage of hazardous materials in June 2012 and a revision in April 2015. At this time the applicant is requesting a revision to the most recent approval to locate a liquid nitrogen tank in an equipment enclosure outside the building. The applicant is not requesting to increase the amounts or types of chemicals used and stored at the site; only the location of the liquid nitrogen is proposed to be modified. |
| Project Address | 1555 Adams Drive, Menlo Park, CA 94025 |
| FOR OFFICE USE ONLY | |
| <input type="checkbox"/> The hazardous materials listed are not of sufficient quantity to require approval by this agency. | |
| <input checked="" type="checkbox"/> The Fire District has reviewed the applicant's plans and use of listed hazardous materials/chemicals and has found the proposal to be in compliance with all applicable Fire Codes. | |
| <input type="checkbox"/> The Fire District has reviewed the applicant's plans and use of listed hazardous materials/chemicals outlined, and suggests conditions and mitigation measures to be made a part of the City's Use Permit approval (please list the suggested conditions and mitigation measures). | |
| The applicant's proposal has been reviewed by the Menlo Park Fire Protection District by: | |
| Signature/Date  2-19-16 | Name/Title (printed) Gordon Simpson Contract FIRE INSPECTOR |
| Comments: PERMIT FROM MPFPD required for LN ₂ | |

TANK INSTALL. APPLICANT WILL BE SUBJECT TO
ON GOING ANNUAL PERMIT AND INSPECTION REQUIREMENTS
FROM MPFPD.

61



**DEVELOPMENT SERVICES
PLANNING DIVISION**

**Contact: Kyle Perata 650-330- 6721 or
ktperata@menlopark.org
701 Laurel Street
Menlo Park, CA 94025
PHONE (650) 330-6702
FAX (650) 327-1653**

**AGENCY REFERRAL FORM
RETURN DUE DATE: Tuesday, March 1, 2016**

DATE: February 16, 2016

TO: SAN MATEO COUNTY ENVIRONMENTAL HEALTH SERVICES DIVISION
Darrell Cullen, Hazardous Materials Specialist
San Mateo County Environmental Health
2000 Alameda de las Pulgas, Ste 100
San Mateo, CA 94403
(650) 372-6235

| | |
|---|--|
| Applicant | IntersectENT |
| Applicant's Address | 1555 Adams Drive, Menlo Park, CA 94025 |
| Telephone/FAX | Tel: 650-508-8018 (Ellen Ackerman, EHS Consultant) |
| Contact Person | Ellen Ackerman |
| Business Name | IntersectENT |
| Type of Business | Research and development and production of medical technologies for use in treating ear, nose, and throat patients. The company received a use permit for the use and storage of hazardous materials in June 2012 and a revision in April 2015. At this time the applicant is requesting a revision to the most recent approval to locate a liquid nitrogen tank in an equipment enclosure outside the building. The applicant is not requesting to increase the amounts or types of chemicals used and stored at the site; only the location of the liquid nitrogen is proposed to be modified. |
| Project Address | 1555 Adams Drive, Menlo Park, CA 94025 |
| FOR OFFICE USE ONLY | |
| <input type="checkbox"/> The hazardous materials listed are not of sufficient quantity to require approval by this agency. | |
| <input type="checkbox"/> The Health Department has reviewed the applicant's plans and use of listed hazardous materials/chemicals and has found the proposal to be in compliance with all applicable Codes. | |
| <input checked="" type="checkbox"/> The Health Department has reviewed the applicant's plans and use of listed hazardous materials/chemicals outlined, and suggests conditions and mitigation measures to be made a part of the City's Use Permit approval (please list the suggested conditions and mitigation measures). The Health Department will inspect the facility once it is in operation to assure compliance with applicable laws and regulations. | |
| The applicant's proposal has been reviewed by the San Mateo County Environmental Health Services Division by: Darrell A. Cullen | |
| Signature/Date | Name/Title (printed) |
| Cullen | |
| <small>Digitally signed by Darrell A. Cullen DN: cn=Darrell A. Cullen, o=Environmental Health Services, ou=San Mateo County, email=dacullen@smcgov.org, c=US Date: 2016.02.29 14:41:46 -0800</small> | |
| Comments: Ensure to update your HMBP once material is onsite | |



**DEVELOPMENT SERVICES
PLANNING DIVISION**

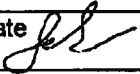
Contact: Kyle Perata 650-330-6721 or
ktperata@menlopark.org
701 Laurel Street
Menlo Park, CA 94025
PHONE (650) 330-6702
FAX (650) 327-1653

**AGENCY REFERRAL FORM
RETURN DUE DATE: Tuesday, March 1, 2016**

DATE: February 16, 2016

TO: **WEST BAY SANITARY DISTRICT**

John Simonetti
500 Laurel Street
Menlo Park, CA 94025
(650) 321-0384

| | |
|---|--|
| Applicant | IntersectENT |
| Applicant's Address | 1555 Adams Drive, Menlo Park, CA 94025 |
| Telephone/FAX | Tel: 650-508-8018 (Ellen Ackerman, EHS Consultant) |
| Contact Person | Ellen Ackerman |
| Business Name | IntersectENT |
| Type of Business | Research and development and production of medical technologies for use in treating ear, nose, and throat patients. The company received a use permit for the use and storage of hazardous materials in June 2012 and a revision in April 2015. At this time the applicant is requesting a revision to the most recent approval to locate a liquid nitrogen tank in an equipment enclosure outside the building. The applicant is not requesting to increase the amounts or types of chemicals used and stored at the site; only the location of the liquid nitrogen is proposed to be modified. |
| Project Address | 1555 Adams Drive, Menlo Park, CA 94025 |
| FOR OFFICE USE ONLY | |
| <input type="checkbox"/> The hazardous materials listed are not of sufficient quantity to require approval by this agency. | |
| <input checked="" type="checkbox"/> The Sanitary District has reviewed the applicant's proposed plans and use of listed hazardous materials/chemicals and has found that the proposal meets all applicable Code requirements. | |
| <input type="checkbox"/> The Sanitary District has reviewed the applicant's plans and use of listed hazardous materials/chemicals outlined, and suggests conditions and mitigation measures to be made a part of the City's Use Permit approval (please list the suggested conditions and mitigation measures). | |
| The applicant's proposal has been reviewed by the West Bay Sanitary District by: John Simonetti, RCC Inspector | |
| Signature/Date  3-1-16 | Name/Title (printed) John Simonetti, Regulatory Compliance Coordinator |
| Comments: | |



**DEVELOPMENT SERVICES
PLANNING DIVISION**

**Contact: Kyle Perata 650-330- 6721 or
ktperata@menlopark.org**
701 Laurel Street
Menlo Park, CA 94025
PHONE (650) 330-6702
FAX (650) 327-1653

**AGENCY REFERRAL FORM
RETURN DUE DATE: Tuesday, March 1, 2016**

DATE: February 16, 2016

TO: CITY OF MENLO PARK BUILDING DIVISION
701 Laurel Street
Menlo Park, CA 94025
(650) 330-6704

| | |
|---|--|
| Applicant | IntersectENT |
| Applicant's Address | 1555 Adams Drive, Menlo Park, CA 94025 |
| Telephone/FAX | Tel: 650-508-8018 (Ellen Ackerman, EHS Consultant) |
| Contact Person | Ellen Ackerman |
| Business Name | IntersectENT |
| Type of Business | Research and development and production of medical technologies for use in treating ear, nose, and throat patients. The company received a use permit for the use and storage of hazardous materials in June 2012 and a revision in April 2015. At this time the applicant is requesting a revision to the most recent approval to locate a liquid nitrogen tank in an equipment enclosure outside the building. The applicant is not requesting to increase the amounts or types of chemicals used and stored at the site; only the location of the liquid nitrogen is proposed to be modified. |
| Project Address | 1555 Adams Drive, Menlo Park, CA 94025 |
| FOR OFFICE USE ONLY | |
| <input type="checkbox"/> The hazardous materials listed are not of sufficient quantity to require approval by this Division. | |
| <input checked="" type="checkbox"/> The Building Division has reviewed the applicant's plans and listed hazardous materials/chemicals and has found that the proposal meets all applicable California Building Code requirements. | |
| <input type="checkbox"/> The Building Division has reviewed the applicant's plans and use of listed hazardous materials/chemicals outlined, and suggests conditions and mitigation measures to be made a part of the City's Use Permit approval (please list the suggested conditions and mitigation measures). | |
| The applicant's proposal has been reviewed by the City of Menlo Park's Building Division by: | |
| Signature/Date Ron LaFrance 3/2/16 | Name/Title (printed) Ron LaFrance, Building Official |
| Comments: | |

64



STAFF REPORT

Planning Commission

Meeting Date: 3/21/2016

Staff Report Number: 16-021-PC

Public Hearing: Use Permit/Antheia, Inc./1505 O'Brien Drive,
Suite B

Recommendation

Staff recommends that the Planning Commission approve the use permit request for the use of hazardous materials associated with the research and development of small molecules for the treatment of a range of ailments including hypertension, cancer, and viral, bacterial, and protozoan infections located within an existing building in the M-2 (General Industrial) zoning district at 1505 O'Brien Drive. The recommended actions are contained within Attachment A.

Policy Issues

Each use permit request is considered individually. The Planning Commission should consider whether the required use permit findings can be made for the proposal.

Background

Site location

The project site is an office and research and development (R&D) building located at 1505 O'Brien Drive, which is Building 14 of the Menlo Business Park. The applicant, Antheia, currently is located in Palo Alto and is in the process of moving to the project site. Antheia is proposing to occupy a portion of the ground floor. The other building tenants, Circuit Therapeutics and Trellis Bioscience, occupy the remainder of the first floor and a portion of the second level. Circuit Therapeutics received use permit approval from the Planning Commission in March 2013 for the use and storage of hazardous materials. Trellis Bioscience received Planning Commission approval of a use permit for the storage and use of hazardous materials in January 2015. The remainder of the ground floor is occupied by a small gym for the tenants of the Menlo Business Park.

The immediately adjacent parcels are also part of the M-2 zoning district, and are occupied by a variety of warehouse, light manufacturing, R&D, and office uses. The parcels to the south of the site, along O'Brien Drive are also located in the M-2 zoning district and are occupied by R&D, office, and manufacturing uses. The subject building is located approximately 800 feet from Costano Elementary School and approximately 775 feet from Cesar Chavez Elementary School, both of which are located within the City of East Palo Alto. In addition, a preschool is located at 1215 O'Brien Drive, which is approximately 1,000 feet from the subject site. The closest residential uses are located along Kavanaugh Drive in the City of East Palo Alto, approximately 415 feet away from the subject building (see Attachment B).

Analysis

Project description

The applicant is requesting a use permit for the storage and use of hazardous materials associated with its R&D operations. Antheia develops new ways of making rare and chemically-complex botanical small molecules through biosynthesis of a host cell. The molecules would be used for the treatment of a multitude of ailments, including hypertension, cancer, analgesia, and viral-, bacterial-, and protozoan-infections. The business does not intend to manufacture or sell pharmaceutical molecules from the site at this time. The applicant has submitted a project description letter that discusses the proposal in more detail (Attachment C).

Hazardous materials

Proposed hazardous materials include combustible liquids, corrosives, cryogenics, flammable liquids, flammable solids, highly toxic substances, inert gases, oxidizers, and water reactive chemicals. The project plans (Attachment D) provide the locations of chemical use and storage, as well as hazardous waste storage. In addition, the plans identify the location of safety equipment, such as spill kits, fire extinguishers, first aid kits, emergency eyewash stations and showers. All hazardous materials would be used and stored inside of the building.

The Hazardous Materials Information Form (HMIF) for the project is provided as Attachment E. The HMIF contains a description of how hazardous materials are stored and handled on-site, including the storage of hazardous materials within fire-rated storage cabinets, segregated by hazard class. The applicant indicates that the storage areas would be monitored by lab staff and weekly documented inspections would be performed. The largest waste container would be a 5-gallon container, and all liquid wastes would be secondarily contained. A spill kit would be stored on-site. Licensed contractors are intended to be used to haul off and dispose of the hazardous waste. The HMIF includes a discussion of the applicant's intended training plan, which encompasses the handling of hazardous materials and waste, as well as how to respond in case of an emergency. The applicant indicates that the procedures for notifying emergency response personnel and outside agencies are kept in the site's emergency response plan. Given the proximity of the site to the Hetch Hetchy Right-Of-Way and pipeline, the San Francisco Public Utilities Commission would be included in the emergency contact list. A complete list of the types of chemicals is included in Attachment F.

Staff has included recommended conditions of approval that would limit changes in the use of hazardous materials, require a new business to submit a chemical inventory to seek compliance if the existing use is discontinued, and address violations of other agencies in order to protect the health and safety of the public. In addition, the use and storage of hazardous materials is consistent with other uses in the area.

Agency review

The Menlo Park Fire Protection District (MPFPD), City of Menlo Park Building Division, West Bay Sanitary District, and San Mateo County Environmental Health Services Division were contacted regarding the proposed use and storage of hazardous materials on the project site. Each entity found the proposal to be in compliance with all applicable standards and approved or conditionally approved the proposal. Their

correspondence has been included as Attachment G.

Correspondence

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

Conclusion

Staff believes that the proposed use and quantities of hazardous materials would be compatible and consistent with other uses in this area. The HMIF and chemical inventory include a discussion of the applicant's training plan and protection measures in the event of an emergency. Relevant agencies have indicated their approval of the proposed hazardous materials uses on the property. The proposed use permit would allow a new business to move to and begin operations in Menlo Park. Staff recommends that the Planning Commission approve the proposed project.

Impact on City Resources

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

Environmental Review

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

Public Notice

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of publishing a notice in the local newspaper and notification by mail of owners and occupants within a 1,320-foot radius of the subject property.

Attachments

- A. Recommend Actions
- B. Location Map
- C. Project Description Letter
- D. Project Plans
- E. Hazardous Materials Information Form (HMIF)
- F. Chemical Inventory
- G. Hazardous Materials Agency Referral Forms:
 - Menlo Park Fire Protection District
 - San Mateo County Environmental Health Department
 - West Bay Sanitary District
 - Menlo Park Building Division

Staff Report #: 16-021-PC

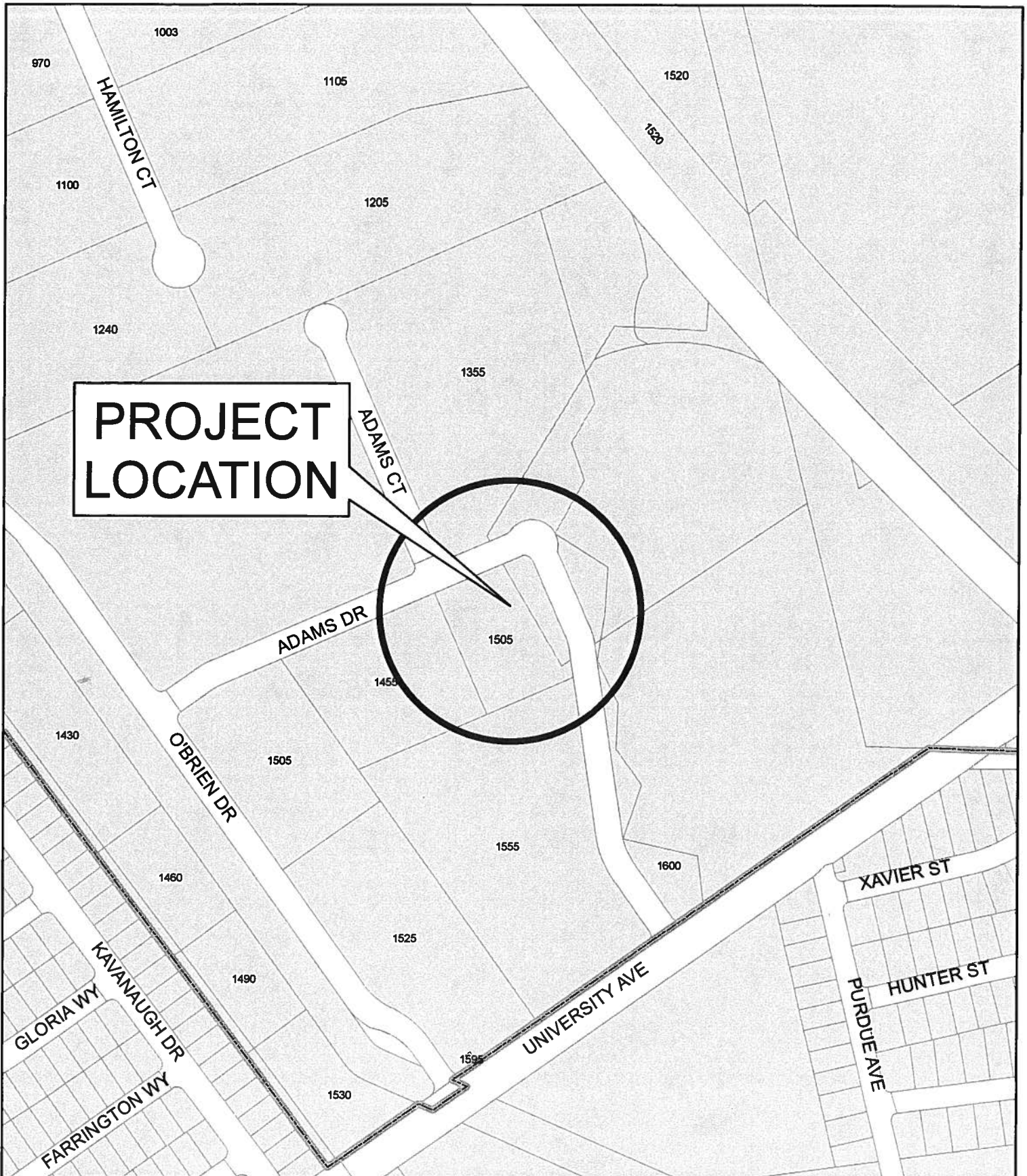
Report prepared by:
Kyle Perata, Senior Planner

Report reviewed by:
Thomas Rogers, Principal Planner

1505 O'Brien Drive, Suite B – Attachment A: Recommended Actions

| | | | |
|---|--------------------------------------|---------------------------------|---------------------------------------|
| LOCATION: 1505 O'Brien Drive, Suite B | PROJECT NUMBER: PLN2015-00116 | APPLICANT: Antheia, Inc. | OWNER: MENLO PREHC I LLC ET AL |
| REQUEST: Request for a use permit for the storage and use of hazardous materials for the research and development of small molecules for the treatment of a range of ailments including hypertension, cancer, and viral, bacterial, and protozoan infections located within an existing building in the M-2 (General Industrial) zoning district. All hazardous materials would be used and stored within the building. | | | |
| DECISION ENTITY: Planning Commission | DATE: March 21, 2016 | ACTION: TBD | |
| VOTE: TBD (Combs, Ferrick, Goodhue, Kadvany, Kahle, Onken, Strehl) | | | |
| ACTION: <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> a. Development of the project shall be substantially in conformance with the plans provided by Green Environment, Inc., consisting of nine plan sheets, dated received March 9, 2016, and approved by the Planning Commission on March 21, 2016 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. | | | |





CITY OF MENLO PARK

LOCATION MAP
1505 O'BRIEN DRIVE

DRAWN: KTP CHECKED: KTP DATE: 03/21/15 SCALE: 1" = 300' SHEET: 1



RECEIVED

FEB 08 2016

CITY OF MENLO PARK
BUILDING

Project Description-Antheia-1505 O'Brien Drive, Suite B
January 2016

Antheia Inc. develops new ways of making rare and chemically-complex botanical small molecules through biosynthesis in a microbial host cell. These botanical small molecules have therapeutic indications for the treatment of a wide range of ailments including hypertension, cancer, analgesia, and viral-, bacterial-, and protozoan-infection. Antheia's operations principally involve research into the generation and testing of new microbial production strains. We are not currently manufacturing or selling pharmaceutical molecules.

Antheia is moving its operations from Palo Alto to Menlo Park. The new facility will be the company's headquarters and its research and development facility. Antheia, Inc. currently has five (5) employees and expects to grow to as many as fourteen (14) employees in Menlo Park over the next three (3) years.

Four of Antheia's five employees are research scientists which comprise the existing R&D team. The fifth employee is the CEO who performs administrative and business tasks.

As part of the R&D efforts, Antheia uses small quantities of hazardous materials in a properly equipped molecular biology laboratory on the ground floor. These materials are processed under fume hoods or other appropriately exhausted space. Small quantities of flammable and toxic materials are used in the preparation and analysis of DNA- for example, isopropanol for the precipitation of DNA and ethidium bromide for labelling DNA. Other small quantities of corrosive and flammable materials are used in the operation of analytical machines- for example, one liter of acetonitrile combined with 1 milliliter formic acid used as a solvent for liquid chromatography. Container sizes for most hazardous substances are one gallon or less.

Antheia engages in research activities only and is not a manufacturer of hazardous materials.

Neither an air emissions permit nor a wastewater discharge permit is anticipated to be required for the facility.

Chemicals will be delivered by common carrier. Delivery frequency will vary with the pace of manufacturing, but is not expected to exceed bi-monthly. Hazardous waste is removed from site by a licensed hauler; removal is generally on a bi-monthly basis.

C1

Antheia Suite B

RECEIVED

MAR 09 2016

**CITY OF MENLO PARK
BUILDING**

DES
ARCHITECT
ENGINEER

399 Bradford Street Redwood City, Ca. 94063
Tel: (650) 364-6453
Fax: (650) 364-2618
www.dcs-cc.com


TARLTON

1530 O'Brien Drive, Suite C
Menlo Park CA 94025

**SUITE B2 & C MARKET
READY**

MENLO BUSINESS PARK
1505 O'BRIEN DRIVE
Menlo Park, CA 94025

TITLE SHEET

[illegible]

GEI 01/19/16



© 2010

14

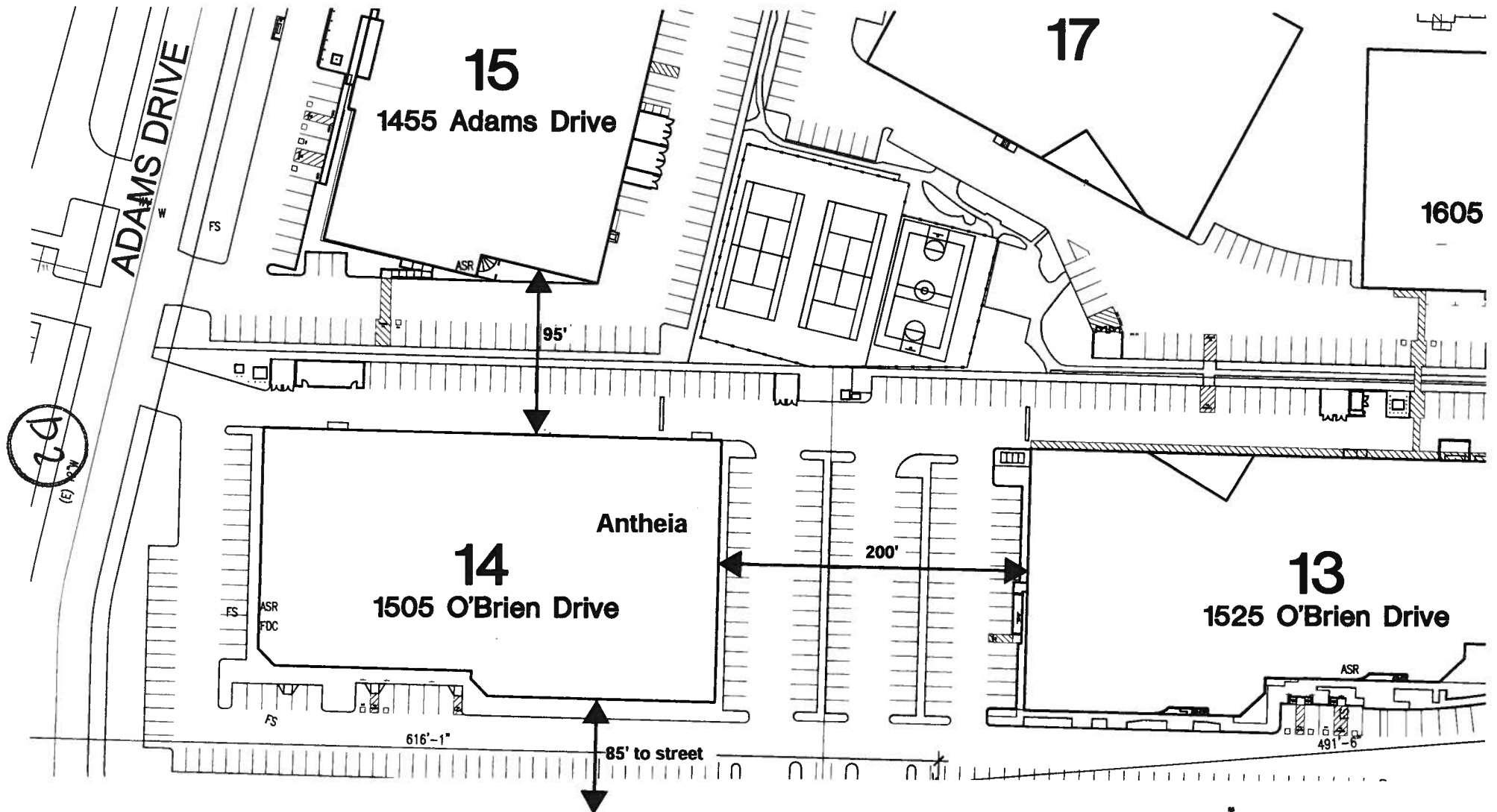
G0.01

BLDG

SHEET NO.

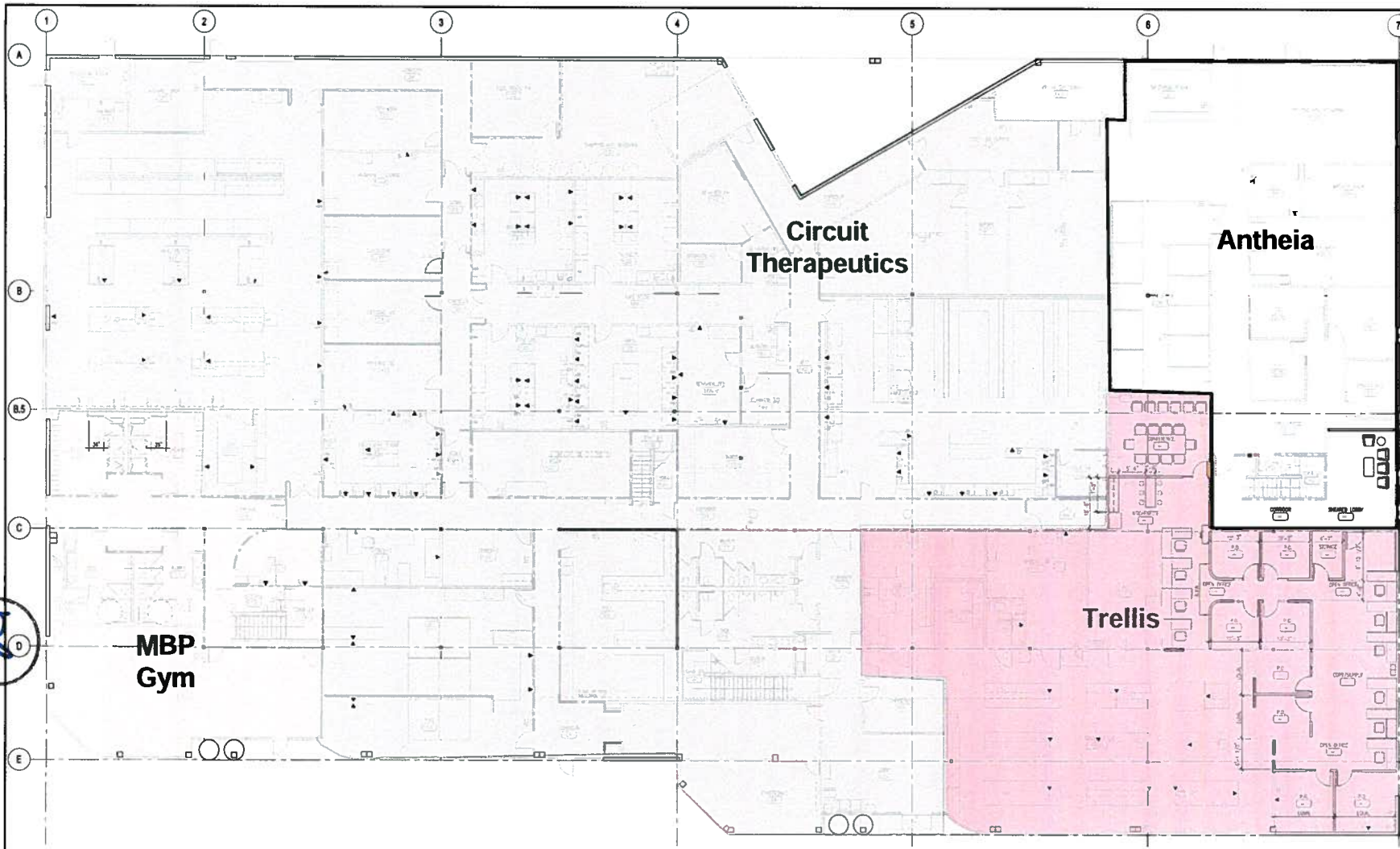
| MENLO BUSINESS PARK SITE PLAN | BUILDING 14 AREA OF WORK | SHEET INDEX |
|--|--|---|
| <p>ROOM SYMBOL ROOM NAME & NO.</p> <p>DOOR SYMBOL DOOR NUMBER</p> <p>WINDOW SYMBOL WINDOW NUMBER</p> <p>FINISH SYMBOL FINISH NUMBER</p> <p>NOTE SYMBOL KEYNOTE NUMBER</p> <p>SECTION CUT SYMBOL SECTION ID SHEET NUMBER</p> <p>DETAIL SYMBOL DETAIL ID SHEET NUMBER</p> <p>WALL SYMBOL WALLTYPE</p> <p>REVISION SYMBOL ADDENDUM LETTER S.I. NUMBER REVISION CLOUD</p> <p>INT. ELEV. SYMBOL ELEVATION ID SHEET NUMBER</p> <p>NORTH ARROW PROJECT NORTH</p> <p>ELEVATION MARK SUFFIX</p> <p>CALLOUT TAG PLAN / SECTION</p> <p>CALLOUT TAG DETAIL</p> <p>AREA PLAN REF TO SCALE</p> <p>SITE PLAN 1/4" = 1'-0"</p> | <p>GENERAL</p> <p>TITLE SHEET PROJECT NOTES AND ABBREVIATIONS CALGREEN COMPLIANCE TITLE 24 CALCULATION ACCESSIBILITY STANDARDS FIRST LEVEL EXISTING PLANS AND CODE ANALYSIS SECOND LEVEL EXISTING PLANS AND CODE ANALYSIS</p> <p>ARCHITECTURAL</p> <p>FIRST & SECOND FLOOR DEMOLITION PLAN SITE PLAN FIRST LEVEL FLOOR & FINISH & REFLECTED CEILING PLANS & INTERIOR ELEVATIONS SECOND LEVEL FLOOR PLAN EXTERIOR ELEVATION PARTITION SCHEDULE AND TYPICAL DETAILS 1HR RATED WALL DETAILS LAY-IN CEILING - WOOD FRAMING DETAILS CASEWORK & STOREFRONT & FINISHES TRANSITION DETAILS</p> <p>STRUCTURAL</p> <p>GENERAL NOTES DETAILS DETAILS</p> <p>MECHANICAL</p> <p>PARTIAL FIRST FLOOR MECHANICAL PLAN</p> <p>PLUMBING</p> <p>FIRST LEVEL PLUMBING PLAN</p> <p>ELECTRICAL</p> <p>SYMBOLS AND NOTES LIGHTING AND POWER PLAN</p> | <p>PROJECT TEAM</p> <p>BUILD. OWNER: MENLO PARK PORTFOLIO c/o TARTAN PROPERTIES 1530 O'BRIEN DRIVE, SUITE C REDWOOD CITY, CA 94065 PHONE: (650) 330.3600 FAX: (650) 948.6966 CONTACT: RON KRIEDEMAYER</p> <p>ARCHITECT: DES ARCHITECTS + ENGINEERS 399 BRADFORD STREET REDWOOD CITY, CA 94065 PHONE: (650) 394.6453 FAX: (650) 364.2618 CONTACT: ELKE MACGREGOR</p> <p>GENERAL CONTRACTOR: CP CONSTRUCTION 6862 MAYHEMS LANDING RD. NEWARK, CA 94560 PHONE: (510) 796.8608 FAX: (510) 797.4084 CONTACT: LES HELLENWELL</p> <p>MECHANICAL: CARMAINE AIR HEATING AND AIR CONDITIONING 1722-B JUNCTION AVENUE SAN JOSE, CA 95112-1011 PHONE: (408) 441.0910 FAX: (408) 441.0950 CONTACT: GARY CARMAINE</p> <p>PROJECT DATA</p> <p>BUILDING CODES:</p> <p>2013 CA. ADMINISTRATIVE CODE PART 1 TITLE 24</p> <p>2013 CA. BUILDING CODE (CBC) CCR TITLE 24, PART 2, VOL. 1 & 2 (2012 IBC WITH CALIFORNIA AMENDMENTS)</p> <p>2013 CA. GREEN BUILDING STANDARDS (CGSBS) CCR TITLE 24, PART 11</p> <p>2013 CA. ELECTRICAL CODE (CEC) CCR TITLE 24, PART 3 (2011 NEC WITH CALIFORNIA AMENDMENTS)</p> <p>2013 CA. MECHANICAL CODE (CMC) CCR TITLE 24, PART 4 (2012 IMC WITH CALIFORNIA AMENDMENTS)</p> <p>2013 CA. PLUMBING CODE (CPC) CCR TITLE 24, PART 5 (2012 UPC WITH CALIFORNIA AMENDMENTS)</p> <p>2013 CA. FIRE CODE (CFC) CCR TITLE 24, PART 9 (2012 IFC WITH CALIFORNIA AMENDMENTS)</p> <p>2013 CA. ENERGY CODE (CEC) CCR TITLE 24, PART 6</p> <p>LEGAL JURISDICTION: MENLO PARK, CA.</p> <p>ZONING DESIGNATION: M-2</p> <p>CONSTRUCTION TYPE: II-B</p> <p>OCCUPANCY: B</p> <p>FIRE PROTECTION: BUILDING IS PROVIDED WITH AUTOMATIC FIRE SPRINKLER SYSTEM THROUGHOUT. ADJUSTMENTS TO SYSTEM TO BE PROVIDED IN SEPARATE PACKAGE BY DESIGN-BUILD SUBCONTRACTOR. FIRE SPRINKLER SYSTEM SHALL HAVE A CURRENT TITLE 19 5 YEAR CERTIFICATION.</p> <p>TOTAL SITE AREA: 116,302 SF (2.67 ACRES)</p> <p>BUILDING COVERAGE: 41,431 SF</p> <p>BUILDING AREA:</p> <p>FIRST LEVEL = 41,431 SF SECOND LEVEL = 17,788 SF TOTAL = 59,219 SF</p> <p>NO NEW SQUARE FOOTAGE HAS BEEN ADDED.</p> <p>PARKING PROVIDED:</p> <p>STANDARD = 137 SPACES H.C. ACCESSIBLE = 5 SPACES VAN ACCESSIBLE = 1 SPACE TOTAL = 143 SPACES</p> <p>ORIGINAL PARKING BASIS: 143 SPACES PER APPROVED MASTER PLAN. (143 LESS 6 PARKING FOR ADA STRIPING AND 9 FOR TRASH AND EQUIPMENT ENCLOSURES)</p> <p>PARKING BASIS: CURRENT CITY 2008 ZONING ORDINANCE (1 SPACE PER 300 SF)</p> <p>AREA OF WORK:</p> <p>1ST FLOOR: 4,650 S.F. 2ND FLOOR: 700 S.F. TOTAL: 5,350 S.F.</p> <p>SCOPE OF WORK</p> <p>1. DEMOLITION AND ADDITION OF WALL PARTITIONS FOR NEW OFFICES, CONFERENCE, RESTROOM, LOBBY AND BREAK ROOM AT SUITE B2.</p> <p>2. (N) EXTERIOR GLAZING AT SUITE B2.</p> <p>3. (N) WALLS AND DOORS @ 2ND FLOOR TO CREATE ADDITIONAL EXIT FOR SUITE D (NO (N) ELEC. @ 2ND FLOOR)</p> |

Trellis Bioscience
1505 OBrien Drive



† GEI 01/19/16
Site Plan

44



1 FIRST LEVEL PLAN
1/8" = 1'-0"

FLOOR PLAN LEGEND

- (S) ROOM AND PARTITION TO ROOM
- (W) ROOM, WINDOW AND PARTITION

DES

ARCHITECTS
ENGINEERS

399 Bradford Street Redwood City, Ca. 94063
Tel: (650) 364-6453
Fax: (650) 364-2618
www.des-ae.com

TARLTON PROPERTIES
COMMERCIAL DEVELOPMENT
& PROPERTY SERVICES
1530 O'Brien Drive, Suite C
Menlo Park CA 94025

TRELLIS BIOSCIENCE

MENLO BUSINESS PARK
1505 O'BRIEN DRIVE
Menlo Park, CA 94025

FIRST LEVEL FLOOR PLAN

| ISSUE | DATE | DESCRIPTION |
|-------|------|-------------|
| ← | | |
| | | |
| | | |
| | | |
| | | |
| | | |

| | |
|------------------|---------|
| DRAWN BY: | ADENA |
| REVIEWED BY: | OLEGROD |
| APPROVED BY: | OLEGROD |
| DES PROJECT NO.: | 9247.19 |

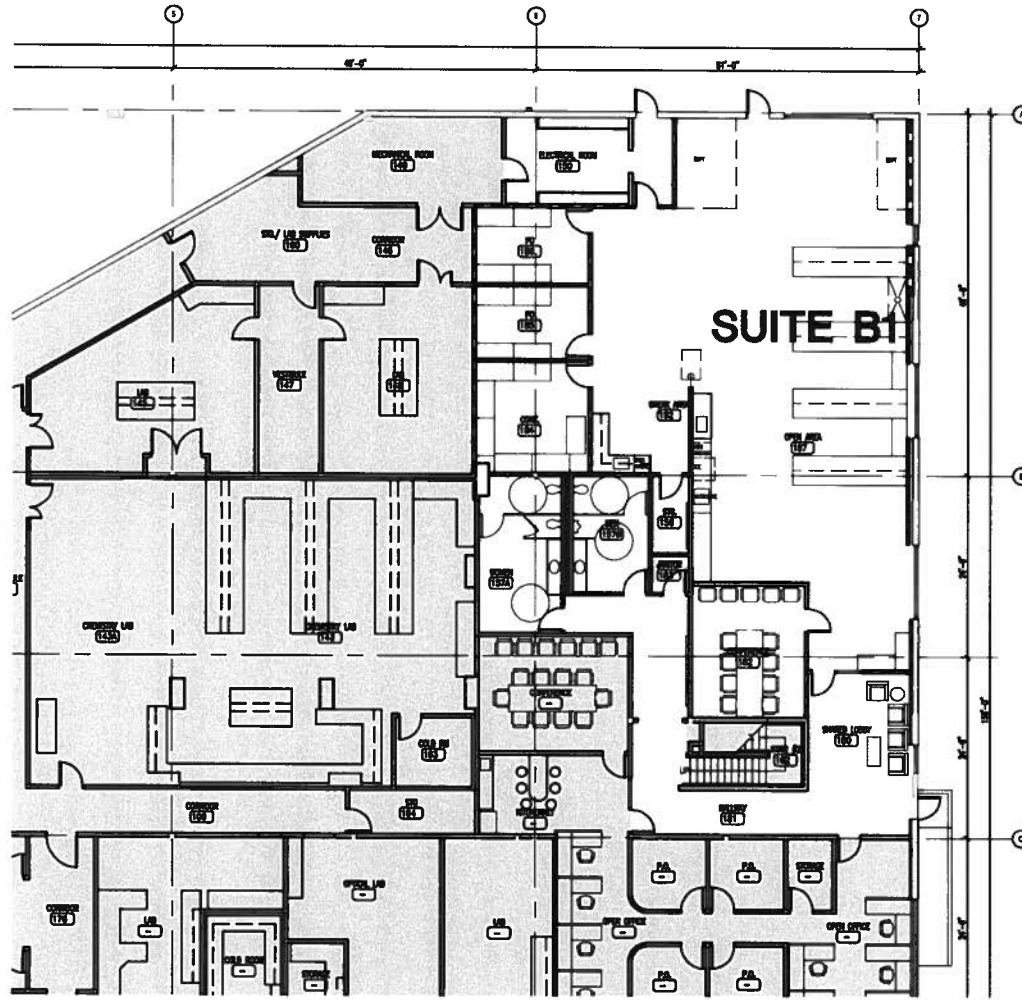
GEI 01/19/16

© 2016

B.L.O.A.


A2.01

SHEET NO.

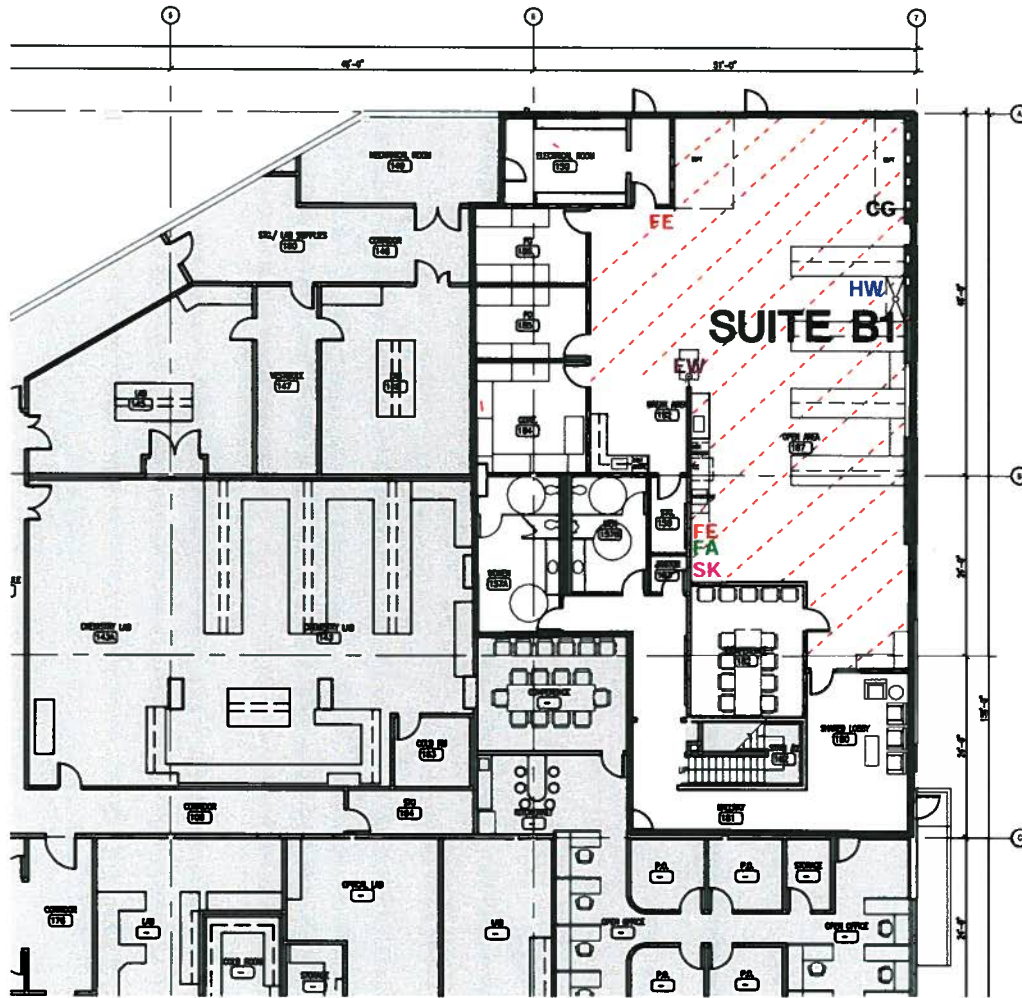


④ PARTIAL FIRST FLOOR PLAN FOR REF.
1/28/16

GEI 01/19/16

| | | | | |
|--|---|--|-------------------------|---------------|
| 399 Bradford Street Richmond City, Va. 23263 Tel: 603.364.6433 Fax: 603.364.2618 www.dbs-ae.com © 2015 | PARTIAL FIRST FLOOR PLAN (FOR REF. ONLY) | | ISSUE DATE: N/A | REFERENCE: |
| |  TARLTON | | DRAWN BY: J. L. WOODSON | SHEET NO.: 03 |
| | | | REVIEWED BY: J. WOODSON | |
| | | | PROJECT NO. 16123 | REF. SHEET: |
| | | | | |

DES
ARCHITECTS
ENGINEERS



HMBP Floor Plan 1/22/16

Antheia space outlined in heavy black

- Planned hazardous materials use/storage area
- SK Spill Kit
- HW Hazardous Waste
- FE Fire Extinguisher
- FA First Aid Kit
- CG Compressed Gas/Cryogen
- EW Emergency eyewash/shower

④ PARTIAL FIRST FLOOR PLAN FOR REF.
1/22/16

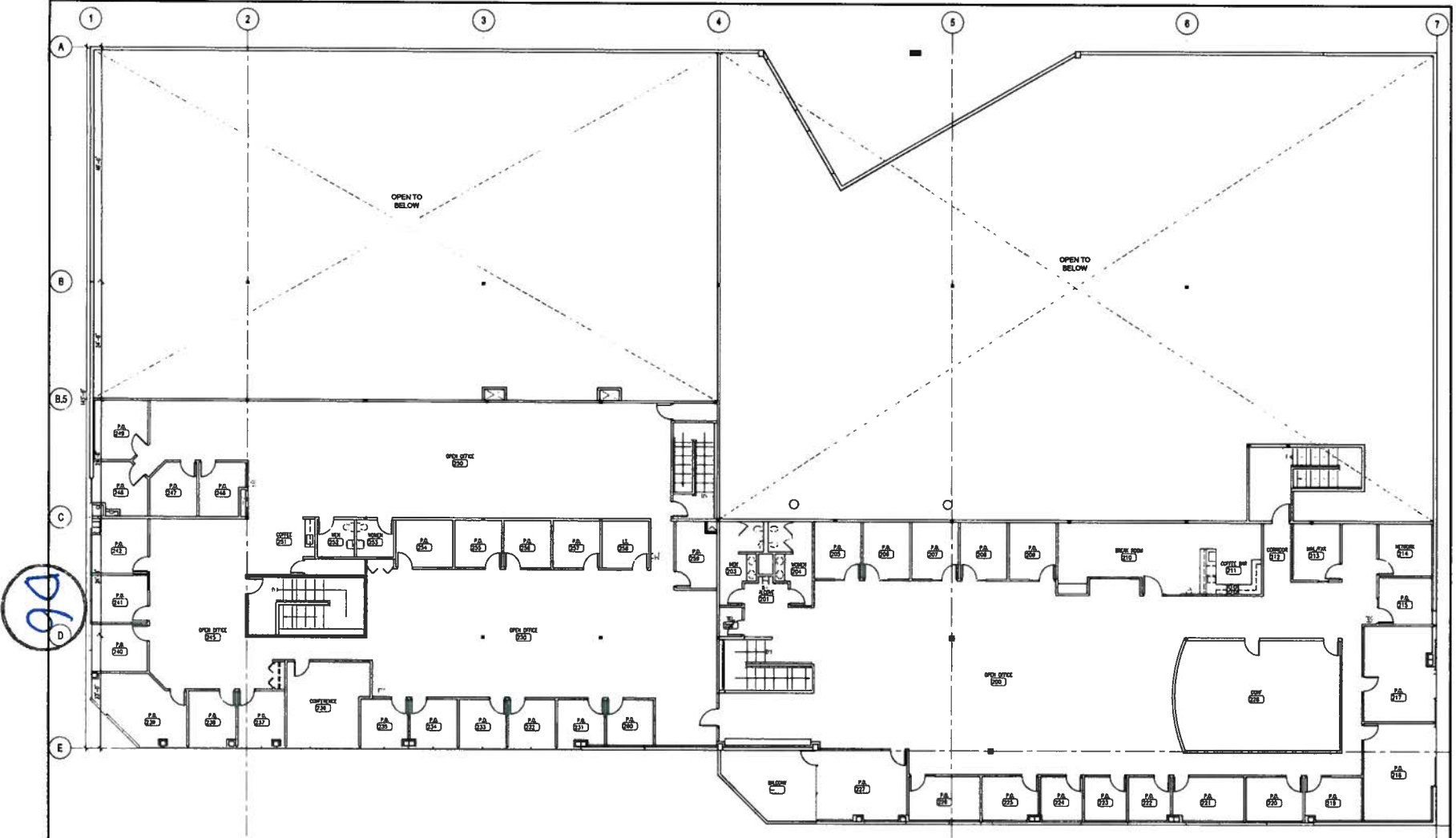
| | |
|------------------------|----|
| REFERENCE | 03 |
| ISSUE DATE: 1/22/16 | 03 |
| DESIGNED BY: TCU | 03 |
| REVIEWED BY: E. WAGNER | 03 |
| PROJECT NO: 03-28 | 03 |

PARTIAL FIRST FLOOR PLAN
(FOR REF. ONLY)

TARLTON

399 Bradford Street
Ridgeland, MS 39063
Tel: 601.364.6433
Fax: 601.364.2618
www.ides-architects.com © 2013

IDES
ARCHITECTS
ENGINEERS



1 SECOND LEVEL FLOOR PLAN
1/8" = 1'-0"

For Reference Only

FLOOR PLAN LEGEND

- DOOR AND PARTITIONS TO REMAIN
- DOOR AND PARTITIONS TO BE REMOVED
- DOOR, WINDOW AND PARTITIONS
- LIGHT RACK

DES
ARCHITECTS
ENGINEERS

399 Bradford Street, Redwood City, CA 94063
Tel: (650) 364-6453
Fax: (650) 364-2618
www.des-ne.com

TARLTON
PROPERTIES

1530 O'Brien Drive, Suite C
Menlo Park, CA 94025

**MENLO BUSINESS
PARK LLC C/O
TARLTON
PROPERTIES, INC.**

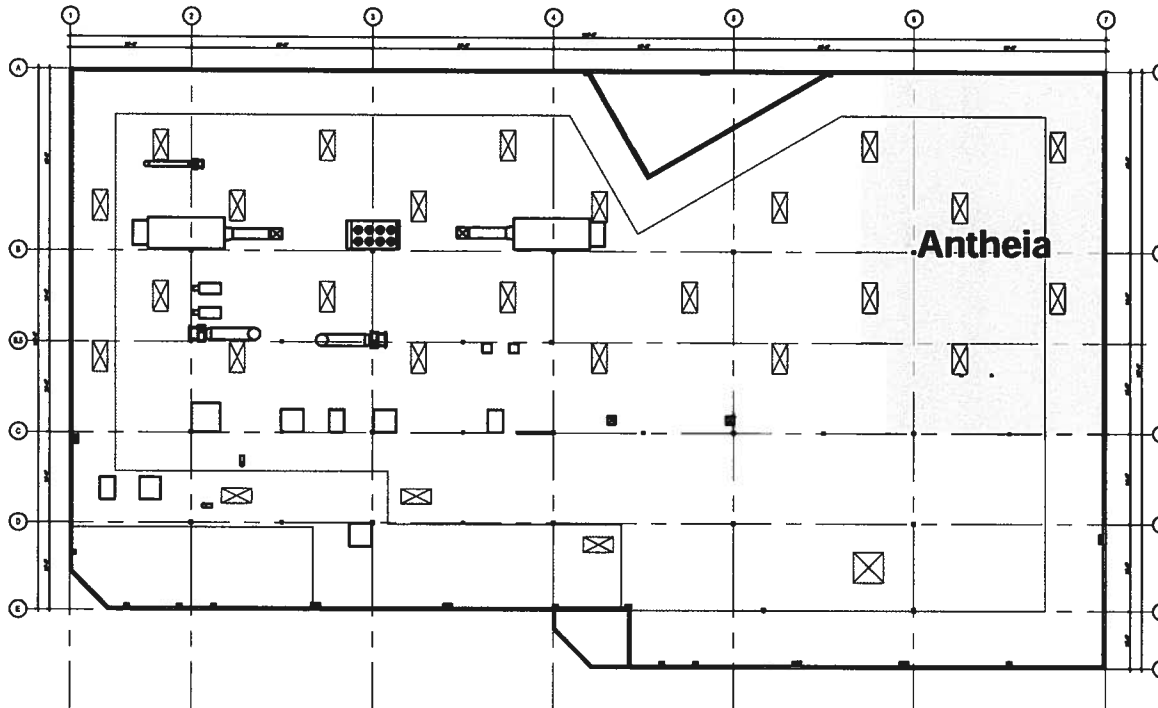
BUILDING 14
1505 O'Brien Drive
Menlo Park, CA 94025

SECOND LEVEL FLOOR PLAN

| DATE | DESCRIPTION |
|----------|------------------|
| 01.18.13 | C.U.P. SUBMITTAL |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

| | |
|------------------|-----------------|
| DESIGNED BY: | A. FOWERS |
| REVIEWED BY: | C. AGUIAR |
| APPROVED BY: | E. HADJIOPOULOS |
| DES PROJECT NO.: | 9247.18 |

GEI 01/19/16



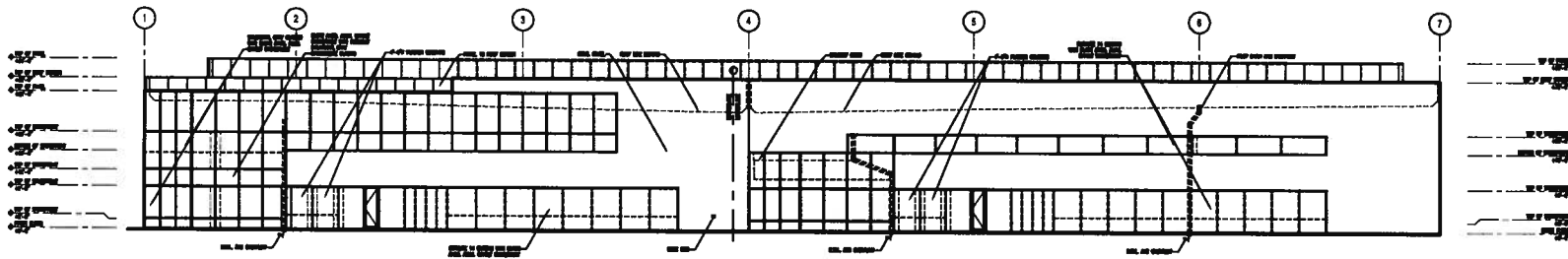
For reference only

1 ROOF PLAN FOR REF.
1/2" = 1'-0"

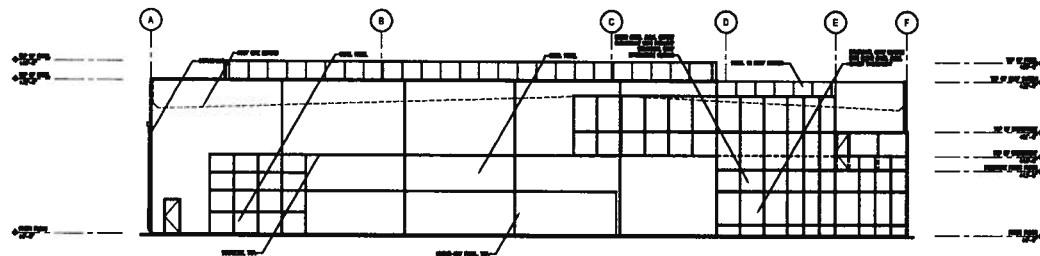
GEI 01/19/16

107

| | | | | |
|---------------------------------------|--|--|---|--|
| DES ARCHITECTS ENGINEERS | 399 Bradford Street Redwood City, Ca. 94063 Tel: 650.364.6453 Fax: 650.364.2618 www.des-ar.com | | REFERENCE: SHEET NO. 04 REV. SHEET: | |
| | ROOF PLAN (FOR REF. ONLY) | | TARTLTON | |



③ EXISTING SOUTH ELEVATION



④ EXISTING WEST ELEVATION

For reference only

GEI 01/19/16

| | |
|------------------------------|----|
| REFERENCE | 06 |
| DESIGNER | 06 |
| PROJECT NO. | 06 |
| PROJECT NAME | 06 |
| PROJECT ADDRESS | 06 |
| PROJECT PHONE | 06 |
| PROJECT FAX | 06 |
| PROJECT EMAIL | 06 |
| PROJECT WEBSITE | 06 |
| PROJECT SOCIAL MEDIA | 06 |
| PROJECT VIDEO | 06 |
| PROJECT PHOTO | 06 |
| PROJECT ARCHIVE | 06 |
| PROJECT BACKUP | 06 |
| PROJECT REVISIONS | 06 |
| PROJECT COMMENTS | 06 |
| PROJECT NOTES | 06 |
| PROJECT SPECIFICATIONS | 06 |
| PROJECT SCHEDULE | 06 |
| PROJECT BUDGET | 06 |
| PROJECT RISK | 06 |
| PROJECT QUALITY | 06 |
| PROJECT SAFETY | 06 |
| PROJECT ENVIRONMENT | 06 |
| PROJECT COMMUNITY | 06 |
| PROJECT POLICY | 06 |
| PROJECT LEGISLATION | 06 |
| PROJECT CASE STUDY | 06 |
| PROJECT BEST PRACTICES | 06 |
| PROJECT LESSONS LEARNED | 06 |
| PROJECT OUTCOMES | 06 |
| PROJECT IMPACT | 06 |
| PROJECT SUSTAINABILITY | 06 |
| PROJECT INNOVATION | 06 |
| PROJECT LEADERSHIP | 06 |
| PROJECT TEAM | 06 |
| PROJECT STAKEHOLDERS | 06 |
| PROJECT PARTNERS | 06 |
| PROJECT ALLIANCE | 06 |
| PROJECT COLLABORATION | 06 |
| PROJECT NETWORK | 06 |
| PROJECT ECOSYSTEM | 06 |
| PROJECT VALUE CHAIN | 06 |
| PROJECT BUSINESS MODEL | 06 |
| PROJECT FINANCIAL MODEL | 06 |
| PROJECT ECONOMIC MODEL | 06 |
| PROJECT SOCIAL MODEL | 06 |
| PROJECT ENVIRONMENTAL MODEL | 06 |
| PROJECT POLITICAL MODEL | 06 |
| PROJECT CULTURAL MODEL | 06 |
| PROJECT LEGAL MODEL | 06 |
| PROJECT ETHICAL MODEL | 06 |
| PROJECT MORAL MODEL | 06 |
| PROJECT RELIGIOUS MODEL | 06 |
| PROJECT PHILOSOPHICAL MODEL | 06 |
| PROJECT SCIENTIFIC MODEL | 06 |
| PROJECT ARTISTIC MODEL | 06 |
| PROJECT LITERARY MODEL | 06 |
| PROJECT MUSICAL MODEL | 06 |
| PROJECT THEATRAL MODEL | 06 |
| PROJECT FILM MODEL | 06 |
| PROJECT VIDEO MODEL | 06 |
| PROJECT AUDIO MODEL | 06 |
| PROJECT IMAGE MODEL | 06 |
| PROJECT GRAPHIC MODEL | 06 |
| PROJECT DESIGN MODEL | 06 |
| PROJECT CONSTRUCTION MODEL | 06 |
| PROJECT OPERATION MODEL | 06 |
| PROJECT MAINTENANCE MODEL | 06 |
| PROJECT REPAIR MODEL | 06 |
| PROJECT REPLACEMENT MODEL | 06 |
| PROJECT DEMOLITION MODEL | 06 |
| PROJECT RECONSTRUCTION MODEL | 06 |
| PROJECT RENOVATION MODEL | 06 |
| PROJECT RESTORATION MODEL | 06 |
| PROJECT PRESERVATION MODEL | 06 |
| PROJECT PROTECTION MODEL | 06 |
| PROJECT PROMOTION MODEL | 06 |
| PROJECT PUBLICITY MODEL | 06 |
| PROJECT MARKETING MODEL | 06 |
| PROJECT SALES MODEL | 06 |
| PROJECT DISTRIBUTION MODEL | 06 |
| PROJECT RETAIL MODEL | 06 |
| PROJECT WHOLESALE MODEL | 06 |
| PROJECT EXPORT MODEL | 06 |
| PROJECT IMPORT MODEL | 06 |
| PROJECT TRANSIT MODEL | 06 |
| PROJECT LOGISTICS MODEL | 06 |
| PROJECT SUPPLY MODEL | 06 |
| PROJECT DEMAND MODEL | 06 |
| PROJECT MARKET MODEL | 06 |
| PROJECT INDUSTRY MODEL | 06 |
| PROJECT SECTOR MODEL | 06 |
| PROJECT SUBSECTOR MODEL | 06 |
| PROJECT NICHE MODEL | 06 |
| PROJECT SPECIALTY MODEL | 06 |
| PROJECT SERVICE MODEL | 06 |
| PRODUCT NAME | 06 |
| PRODUCT DESCRIPTION | 06 |
| PRODUCT SPECIFICATIONS | 06 |
| PRODUCT FEATURES | 06 |
| PRODUCT BENEFITS | 06 |
| PRODUCT USE CASES | 06 |
| PRODUCT SUPPORT | 06 |
| PRODUCT WARRANTY | 06 |
| PRODUCT RETURNS | 06 |
| PRODUCT COMPLAINTS | 06 |
| PRODUCT FEEDBACK | 06 |
| PRODUCT REVIEWS | 06 |
| PRODUCT RATINGS | 06 |
| PRODUCT AWARDS | 06 |
| PRODUCT CERTIFICATIONS | 06 |
| PRODUCT COMPLIANCE | 06 |
| PRODUCT REGULATION | 06 |
| PRODUCT STANDARDS | 06 |
| PRODUCT BEST PRACTICES | 06 |
| PRODUCT LESSONS LEARNED | 06 |
| PRODUCT OUTCOMES | 06 |
| PRODUCT IMPACT | 06 |
| PRODUCT SUSTAINABILITY | 06 |
| PRODUCT INNOVATION | 06 |
| PRODUCT LEADERSHIP | 06 |
| PRODUCT TEAM | 06 |
| PRODUCT STAKEHOLDERS | 06 |
| PRODUCT PARTNERS | 06 |
| PRODUCT ALLIANCE | 06 |
| PRODUCT COLLABORATION | 06 |
| PRODUCT NETWORK | 06 |
| PRODUCT ECOSYSTEM | 06 |
| PRODUCT VALUE CHAIN | 06 |
| PRODUCT BUSINESS MODEL | 06 |
| PRODUCT FINANCIAL MODEL | 06 |
| PRODUCT ECONOMIC MODEL | 06 |
| PRODUCT SOCIAL MODEL | 06 |
| PRODUCT ENVIRONMENTAL MODEL | 06 |
| PRODUCT POLITICAL MODEL | 06 |
| PRODUCT CULTURAL MODEL | 06 |
| PRODUCT LEGAL MODEL | 06 |
| PRODUCT ETHICAL MODEL | 06 |
| PRODUCT MORAL MODEL | 06 |
| PRODUCT RELIGIOUS MODEL | 06 |
| PRODUCT PHILOSOPHICAL MODEL | 06 |
| PRODUCT SCIENTIFIC MODEL | 06 |
| PRODUCT ARTISTIC MODEL | 06 |
| PRODUCT LITERARY MODEL | 06 |
| PRODUCT MUSICAL MODEL | 06 |
| PRODUCT THEATRAL MODEL | 06 |
| PRODUCT FILM MODEL | 06 |
| PRODUCT VIDEO MODEL | 06 |
| PRODUCT AUDIO MODEL | 06 |
| PRODUCT IMAGE MODEL | 06 |
| PRODUCT GRAPHIC MODEL | 06 |
| PRODUCT DESIGN MODEL | 06 |
| PRODUCT CONSTRUCTION MODEL | 06 |
| PRODUCT OPERATION MODEL | 06 |
| PRODUCT MAINTENANCE MODEL | 06 |
| PRODUCT REPAIR MODEL | 06 |
| PRODUCT REPLACEMENT MODEL | 06 |
| PRODUCT DEMOLITION MODEL | 06 |
| PRODUCT RECONSTRUCTION MODEL | 06 |
| PRODUCT RENOVATION MODEL | 06 |
| PRODUCT RESTORATION MODEL | 06 |
| PRODUCT PRESERVATION MODEL | 06 |
| PRODUCT PROTECTION MODEL | 06 |
| PRODUCT PROMOTION MODEL | 06 |
| PRODUCT PUBLICITY MODEL | 06 |
| PRODUCT MARKETING MODEL | 06 |
| PRODUCT SALES MODEL | 06 |
| PRODUCT DISTRIBUTION MODEL | 06 |
| PRODUCT RETAIL MODEL | 06 |
| PRODUCT WHOLESALE MODEL | 06 |
| PRODUCT EXPORT MODEL | 06 |
| PRODUCT IMPORT MODEL | 06 |
| PRODUCT TRANSIT MODEL | 06 |
| PRODUCT LOGISTICS MODEL | 06 |
| PRODUCT SUPPLY MODEL | 06 |
| PRODUCT DEMAND MODEL | 06 |
| PRODUCT MARKET MODEL | 06 |
| PRODUCT INDUSTRY MODEL | 06 |
| PRODUCT SECTOR MODEL | 06 |
| PRODUCT SUBSECTOR MODEL | 06 |
| PRODUCT NICHE MODEL | 06 |
| PRODUCT SPECIALTY MODEL | 06 |
| PRODUCT SERVICE MODEL | 06 |

DES
ARCHITECTS
ENGINEERS

399 Bradford Street
Rochester, NY 14603
Tel: 585.444.4433
Fax: 585.444.4433
www.des-ny.com

TARTON

EXISTING SOUTH & WEST ELEVATION



RECEIVED
COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION

FEB 02 2015

CITY OF MENLO PARK
BUILDING

701 Laurel Street
Menlo Park, CA 94025
phone: (650) 330-6702
fax: (650) 327-1653
planning@menlopark.org
<http://www.menlopark.org>

HAZARDOUS MATERIALS INFORMATION FORM

In order to help inform City Staff and the external reviewing agencies, the Planning Division requires the submittal of this form. If the use permit application is approved, applicants are required to submit the necessary forms and obtain the necessary permits from the Menlo Park Fire Protection District, San Mateo County Environmental Health Services Division, West Bay Sanitary District, and other applicable agencies. Please complete this form and attach additional sheets as necessary.

1. List the types of hazardous materials by California Fire Code (CFC) classifications. This list must be consistent with the proposed Hazardous Materials Inventory Statement (HMIS), sometimes referred to as a Chemical Inventory. (The HMIS is a separate submittal.)

Please see attached spreadsheet.

2. Describe how hazardous materials are handled, stored and monitored to prevent or minimize a spill or release from occurring (e.g., secondary containment, segregation of incompatibles, daily visual monitoring, and flammable storage cabinets).

Flammable materials will be stored within rated storage cabinets and segregated by hazard class. Storage areas for chemicals will be monitored by lab staff during normal business hours (visual). Weekly documented inspections of hazardous waste storage areas are performed.

3. Identify the largest container of chemical waste proposed to be stored at the site. Please identify whether the waste is liquid or solid form, and general safeguards that are used to reduce leaks and spills.

The largest waste container will be 5-gallon capacity. All liquid wastes are secondarily contained, and a Spill Kit is stored on site.



4. Please explain how hazardous waste will be removed from the site (i.e. licensed haulers, or specially trained personnel).

Licensed waste haulers will be used. If Antheia qualifies as a Very Small Quantity Generator, it may use the San Mateo County VSQG disposal program.

5. Describe employee training as it pertains to the following:

- a. Safe handling and management of hazardous materials or wastes;
- b. Notification and evacuation of facility personnel and visitors;
- c. Notification of local emergency responders and other agencies;
- d. Use and maintenance of emergency response equipment;
- e. Implementation of emergency response procedures; and
- f. Underground Storage Tank (UST) monitoring and release response procedures.

Lab employees receive training on management of chemicals and waste. All employees receive training on what to do in case of emergencies, including chemical spills. The site's emergency response plan includes procedures to notify first responders and make reports to outside agencies. There are no USTs at the site.

6. Describe documentation and record keeping procedures for training activities.

All training is documented, and training records are kept by Catherine Thodey, the manager responsible for safety issues.

7. Describe procedures for notifying onsite emergency response personnel and outside agencies (e.g. Fire, Health, Sanitary Agency-Treatment Plant, Police, State Office of Emergency Services "OES") needed during hazardous materials emergencies.

The procedures for notifying emergency response personnel and outside agencies are contained in the site's written emergency response plan. This plan describes various emergency scenarios and specifically who to call and how to respond, internally and in conjunction with responding agencies, including SFPUC.

8. Describe procedures for immediate inspection, isolation, and shutdown of equipment or systems that may be involved in a hazardous materials release or threatened release.

EHS/Facilities personnel are authorized to shut down utilities if a spill requires such action. Spills are contained using materials from Spill Kit, and if larger than internal capabilities, the outside emergency response contractor is called. If danger exists, MP FPD is also called.

9. Identify the nearest hospital or urgent care center expected to be used during an emergency.

Stanford Hospital, Palo Alto

v:\handouts\approved\hazardous materials information form.doc



**Antheia
Hazardous Materials Inventory**

| Antheia, Inc. Suite B 1505 O'Brien Dr, Menlo Business Park | | | | | | | | | |
|---|-------------------------|---------------------------|------------|--------------------------|----------------------------|--------------------|------------------------|---------------|-----------------------------|
| Chemical | Primary Fire Code Class | Secondary Fire Code Class | S, L or G? | Initial Storage Quantity | Projected Storage Quantity | 2 yr estimated qty | Largest Container Size | Amount In Use | Amount in Flammable Cabinet |
| Acetic acid, glacial | Comb II | Corrosive | L | 0.1 L | 4 L | 1 L | 0.025 L | 1 L | |
| Formic acid | Comb II | Corrosive | L | 0.5 L | 2 L | 0.025 L | 0.025 L | 0.5 L | |
| Total Combustible II | | | | < 1 gal | < 2 gal | | | | |
| 2-Mercaptoethanol | Comb IIIA | toxic | L | 0.025 L | 0.025 L | 1 L | 0.025 L | | 0.025 L |
| Dimethyl sulfoxide (DMSO) | Comb IIIA | | L | 0.5 L | 1 L | 2 L | 1 L | | 1 L |
| Formaldehyde | Comb IIIA | | L | 0.4 L | 8 L | 1 L | | | 4 L |
| Total Combustible IIIA | | | | 1.5 gal | 3 gal | | | | |
| Hydrochloric acid | Corrosive | | L | 0.1 L | 4 L | 1 L | | | |
| Selenous acid | Corrosive | OX1, toxic | L | 0.1 L | 4 L | 1 L | | | |
| Sodium hydroxide pellets | Corrosive | WR1, toxic | S | 0.1 kg | 5 kg | 0.5 kg | 0.1 kg | | |
| Sulfuric acid | Corrosive | WR2, OX1, toxic | L | 0.1 L | 4 L | 1 L | | | |
| waste corrosives | Corrosive | | L | 0.2 L | 4 L | 1 L | | | |
| Total Corrosives | | | | 1.25 gal + 2.2 lb | 4.2 gal + 11 lb | | | | |
| Total Corrosives (including secondary hazards) | | | | 2 gal + 3.3 lb | 6.8 gal + 13.2 lb | | | | |
| Nitrogen (liquid) | Cryogen | | L | 0 | 102 | 204 | 51 | 102 | |
| Total Inert Cryogen | | | | 102 gal | 204 gal | | | | |
| Acetone | Flam IB | | L | 0.4 L | 20 L | 4 L | | | 4 L |
| Acetonitrile | Flam IB | | L | 0.20 L | 50 L | 4 L | 3 L | 20 L | |
| Ethanol | Flam IB | | L | 4 L | 16 L | 40 L | 4 L | 1 L | 16 L |
| Isopropanol | Flam IB | | L | 0.4 L | 20 L | 4 L | 1 L | 4 L | |
| Methanol | Flam IB | | L | 0.12 L | 20 L | 4 L | 3 L | 12 L | |
| Waste solvents | Flammable | | | 15.25 gal | 15 gal | | | | |
| Total Flammable IB | | | | 20 gal | 55 gal | | | | |
| Sodium dodecyl sulfate (SDS) | Flam Solid | Corrosive | S | 0.5 kg | 0.5 kg | 1 kg | | | |
| Total Flammable Solids | | | | 1.1 lb | 2.2 lb | | | | |
| Ethidium bromide | H toxic | | S | 0.001 kg | 0.05 kg | | 0.001 kg | | |
| Guanidine hydrochloride | toxic | | S | 0.25 kg | 0.5 kg | | 0.25 kg | | |
| Total Highly Toxics | | | | 0.0022 lb | 0.11 lb | | | | |
| Total Toxics (including secondary hazards) | | | | 8 lb | 33.5 lb | | | | |
| Nitrogen (gas) | NFG | | G | 0.456 cu.ft. | 912 cu. Ft | 228 cf | 456 cf | | |
| Total Inert Gases | | | | 456 cf | 912 cf | | | | |
| Nitric acid | OX 2 | Corrosive | L | 0.1 L | 4 L | 1 L | | | |
| Total Oxidizer Class 2 | | | | < 1 gal | 1 gal | | | | |
| Total Oxidizer Class 1 | | | | < 1 gal | 2 gal | | | | |
| Dithiothreitol (DTT) | WR1 | | S | 0.1 kg | 1 kg | | 0.1 kg | | |
| Total Water Reactive Class 1 | | | | 0.22 lb | 13.2 lb | | | | |
| Total Water Reactive Class 2 | | | | 2 lb | 10 lb | | | | |
| Materials not regulated by Fire Code not listed (e.g., Irritants) | | | | | | | | | |

RECEIVED

FEB 02 2016

CITY OF MENLO PARK
BUILDING

F1



**DEVELOPMENT SERVICES
PLANNING DIVISION**

**Contact: Kyle Perata 650-330- 6721 or
ktperrata@menlopark.org**


**701 Laurel Street
Menlo Park, CA 94025
PHONE (650) 330-6702
FAX (650) 327-1653**

**AGENCY REFERRAL FORM
RETURN DUE DATE: Thursday, March 3, 2016**

DATE: February 18, 2016

TO: MENLO PARK FIRE PROTECTION DISTRICT

Jon Johnston
170 Middlefield Road
Menlo Park, CA 94025
(650) 323-2407

| | |
|---|---|
| Applicant | Antheia |
| Applicant's Address | 1505 O'Brien Drive Suite B, Menlo Park, CA 94025 |
| Telephone/FAX | Tel: 650-508-8018 (Ellen Ackerman, EHS Consultant) |
| Contact Person | Ellen Ackerman |
| Business Name | Antheia |
| Type of Business | Research and development of rare and chemically-complex botanical small molecules through biosynthesis in a microbial host cell. These botanical small molecules have therapeutic indications for the treatment of wide range of ailments including hypertension, cancer, analgesia, and viral-, bacterial-, and protozoan-infection. Primary operations involve research into generation and testing of new microbial production strains. The company is not currently manufacturing or selling pharmaceutical molecules. The applicant is moving operations from a current location in Palo Alto. This location is intended to be the company's headquarters and its research and development facility. |
| Project Address | 1505 O'Brien Drive Suite B, Menlo Park, CA 94025 |
| FOR OFFICE USE ONLY | |
| <input type="checkbox"/> The hazardous materials listed are not of sufficient quantity to require approval by this agency. | |
| <input checked="" type="checkbox"/> The Fire District has reviewed the applicant's plans and use of listed hazardous materials/chemicals and has found the proposal to be in compliance with all applicable Fire Codes. | |
| <input type="checkbox"/> The Fire District has reviewed the applicant's plans and use of listed hazardous materials/chemicals outlined, and suggests conditions and mitigation measures to be made a part of the City's Use Permit approval (please list the suggested conditions and mitigation measures). | |
| The applicant's proposal has been reviewed by the Menlo Park Fire Protection District by: | |
| Signature/Date  3-1-16 | Name/Title (printed) Gordon SIMPSON CONTRACT FIRE INSPECTOR |
| Comments: THE PROPOSED USE DOES NOT PRESENT EXTRAORDINARY HAZARDS. OCCUPANT WILL BE SUBJECT TO ANNUAL FIRE DEPT INSPECTIONS AND PERMITS. (G1) | |



**DEVELOPMENT SERVICES
PLANNING DIVISION**
Contact: Kyle Perata 650-330- 6721 or
ktperata@menlopark.org
701 Laurel Street
Menlo Park, CA 94025
PHONE (650) 330-6702
FAX (650) 327-1653

AGENCY REFERRAL FORM
RETURN DUE DATE: Thursday, March 3, 2016

DATE: February 18, 2016

TO: SAN MATEO COUNTY ENVIRONMENTAL HEALTH SERVICES DIVISION
Darrell Cullen, Hazardous Materials Specialist
San Mateo County Environmental Health
2000 Alameda de las Pulgas, Ste 100
San Mateo, CA 94403
(650) 372-6235

| | |
|--|---|
| Applicant | Antheia |
| Applicant's Address | 1505 O'Brien Drive Suite B, Menlo Park, CA 94025 |
| Telephone/FAX | Tel: 650-508-8018 (Ellen Ackerman, EHS Consultant) |
| Contact Person | Ellen Ackerman |
| Business Name | Antheia |
| Type of Business | Research and development of rare and chemically-complex botanical small molecules through biosynthesis in a microbial host cell. These botanical small molecules have therapeutic indications for the treatment of wide range of ailments including hypertension, cancer, analgesia, and viral-, bacterial-, and protozoan-infection. Primary operations involve research into generation and testing of new microbial production strains. The company is not currently manufacturing or selling pharmaceutical molecules. The applicant is moving operations from a current location in Palo Alto. This location is intended to be the company's headquarters and its research and development facility. |
| Project Address | 1505 O'Brien Drive Suite B, Menlo Park, CA 94025 |
| FOR OFFICE USE ONLY | |
| <input type="checkbox"/> The hazardous materials listed are not of sufficient quantity to require approval by this agency. | |
| <input checked="" type="checkbox"/> The Health Department has reviewed the applicant's plans and use of listed hazardous materials/chemicals and has found the proposal to be in compliance with all applicable Codes. | |
| <input type="checkbox"/> The Health Department has reviewed the applicant's plans and use of listed hazardous materials/chemicals outlined, and suggests conditions and mitigation measures to be made a part of the City's Use Permit approval (please list the suggested conditions and mitigation measures). The Health Department will inspect the facility once it is in operation to assure compliance with applicable laws and regulations. | |
| The applicant's proposal has been reviewed by the San Mateo County Environmental Health Services Division by: | |
| Signature/Date | Name/Title (printed) |
| Darrell A. Cullen <small>Digitally signed by Darrell A. Cullen DN: cn=Darrell A. Cullen, o=Environmental Health Services, ou=San Mateo County, email=dcullen@smcgov.org, c=US Date: 2016.02.29 10:48:03 -08'00'</small> | |
| Comments: Facility will be regulated by the County as a waste generator. Ensure to register with the County (Environmental Health) | |

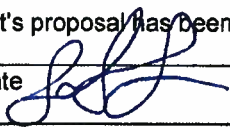


**DEVELOPMENT SERVICES
PLANNING DIVISION**
Contact: Kyle Perata 650-330- 6721 or
ktperata@menlopark.org
701 Laurel Street
Menlo Park, CA 94025
PHONE (650) 330-6702
FAX (650) 327-1653

AGENCY REFERRAL FORM
RETURN DUE DATE: Thursday, March 3, 2016

DATE: February 18, 2016

TO: WEST BAY SANITARY DISTRICT
John Simonetti
500 Laurel Street
Menlo Park, CA 94025
(650) 321-0384

| | |
|---|---|
| Applicant | Antheia |
| Applicant's Address | 1505 O'Brien Drive Suite B, Menlo Park, CA 94025 |
| Telephone/FAX | Tel: 650-508-8018 (Ellen Ackerman, EHS Consultant) |
| Contact Person | Ellen Ackerman |
| Business Name | Antheia |
| Type of Business | Research and development of rare and chemically-complex botanical small molecules through biosynthesis in a microbial host cell. These botanical small molecules have therapeutic indications for the treatment of wide range of ailments including hypertension, cancer, analgesia, and viral-, bacterial-, and protozoan-infection. Primary operations involve research into generation and testing of new microbial production strains. The company is not currently manufacturing or selling pharmaceutical molecules. The applicant is moving operations from a current location in Palo Alto. This location is intended to be the company's headquarters and its research and development facility. |
| Project Address | 1505 O'Brien Drive Suite B, Menlo Park, CA 94025 |
| FOR OFFICE USE ONLY | |
| <input type="checkbox"/> The hazardous materials listed are not of sufficient quantity to require approval by this agency. | |
| <input checked="" type="checkbox"/> The Sanitary District has reviewed the applicant's proposed plans and use of listed hazardous materials/chemicals and has found that the proposal meets all applicable Code requirements. | |
| <input type="checkbox"/> The Sanitary District has reviewed the applicant's plans and use of listed hazardous materials/chemicals outlined, and suggests conditions and mitigation measures to be made a part of the City's Use Permit approval (please list the suggested conditions and mitigation measures). | |
| The applicant's proposal has been reviewed by the West Bay Sanitary District by: <u>John Simonetti, RCC</u> Inspector | |
| Signature/Date  | 03-02-16 Name/Title (printed) John Simonetti, Regulatory Compliance Coordinator |
| Comments: WBSD Facility Inspection required, to be scheduled by applicant by March 18, 2016. | |

63



**DEVELOPMENT SERVICES
PLANNING DIVISION**

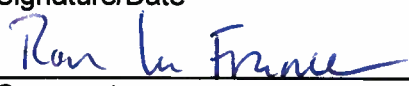
**Contact: Kyle Perata 650-330- 6721 or
ktperata@menlopark.org**
701 Laurel Street
Menlo Park, CA 94025
PHONE (650) 330-6702
FAX (650) 327-1653

**AGENCY REFERRAL FORM
RETURN DUE DATE: Thursday, March 3, 2016**

DATE: February 18, 2016

TO: CITY OF MENLO PARK BUILDING DIVISION

701 Laurel Street
Menlo Park, CA 94025
(650) 330-6704

| | |
|---|---|
| Applicant | Antheia |
| Applicant's Address | 1505 O'Brien Drive Suite B, Menlo Park, CA 94025 |
| Telephone/FAX | Tel: 650-508-8018 (Ellen Ackerman, EHS Consultant) |
| Contact Person | Ellen Ackerman |
| Business Name | Antheia |
| Type of Business | Research and development of rare and chemically-complex botanical small molecules through biosynthesis in a microbial host cell. These botanical small molecules have therapeutic indications for the treatment of wide range of ailments including hypertension, cancer, analgesia, and viral-, bacterial-, and protozoan-infection. Primary operations involve research into generation and testing of new microbial production strains. The company is not currently manufacturing or selling pharmaceutical molecules. The applicant is moving operations from a current location in Palo Alto. This location is intended to be the company's headquarters and its research and development facility. |
| Project Address | 1505 O'Brien Drive Suite B, Menlo Park, CA 94025 |
| FOR OFFICE USE ONLY | |
| <input type="checkbox"/> The hazardous materials listed are not of sufficient quantity to require approval by this Division. | |
| <input checked="" type="checkbox"/> The Building Division has reviewed the applicant's plans and listed hazardous materials/chemicals and has found that the proposal meets all applicable California Building Code requirements. | |
| <input type="checkbox"/> The Building Division has reviewed the applicant's plans and use of listed hazardous materials/chemicals outlined, and suggests conditions and mitigation measures to be made a part of the City's Use Permit approval (please list the suggested conditions and mitigation measures). | |
| The applicant's proposal has been reviewed by the City of Menlo Park's Building Division by: | |
| Signature/Date  | Name/Title (printed) Ron LaFrance, Building Official |
| Comments: | |

G4



STAFF REPORT

Planning Commission

Meeting Date:

3/21/2016

Staff Report Number:

16-022-PC

Public Hearing and

Study Session:

**Draft Infill Environmental Impact Report (EIR)
Public Hearing and Study Session/Greenheart
Land Company/Station 1300 Project (1258-1300 EI
Camino Real, 550-580 Oak Grove Avenue, and 540-
570 Derry Lane)**

Recommendation

Staff recommends that the Planning Commission take the following actions for the Station 1300 project (also known as the 1300 EI Camino Real proposal):

- Conduct a Public Hearing to receive public testimony on the Draft Infill Environmental Impact Report (EIR); and
- Conduct a Study Session to provide feedback on the overall project, including the proposed Public Benefit.

The March 21 meeting will not include any project approval actions. The proposal will be subject to additional review at future City Council and Commission meetings. Staff recommends the following meeting procedure to effectively and efficiently move through the two items, allowing the public and the Planning Commission to focus comments on the specific project components.

Draft Infill EIR Public Hearing

- Introduction by Staff
- Presentation by Consultant
- Public Comments on Draft Infill EIR
- Commissioner Questions on Draft Infill EIR
- Commissioner Comments on Draft Infill EIR
- Close of Public Hearing

Project Proposal Study Session

- Introduction by Staff
- Presentation by Applicant
- Public Comments on Project
- Commissioner Questions on Project
- Commissioner Comments on Project

Policy Issues

Draft EIR public hearings provide an opportunity for Planning Commissioners and the public to comment on the completeness and accuracy of the Draft EIR document. Study sessions provide an opportunity for Planning Commissioners and the public to provide feedback on the overall project, including in this case the proposed Public Benefit Bonus. Both Draft EIR public hearings and study sessions should be considered on a case-by-case basis, with comments used to inform future consideration of the project.

Background

Site location

The project site consists of 15 legal parcels (11 assessor's parcels) addressed 1258-1300 El Camino Real, 550-580 Oak Grove Avenue, and 540-570 Derry Lane. The project site would be approximately 6.4 acres in size, after a proposed abandonment of Derry Lane, and dedication of a planned extension of Garwood Way (aligning with Merrill Street) and a partial widening of the Oak Grove Avenue right-of-way. The project site is within the El Camino Real/Downtown Specific Plan ("Specific Plan") area. The project site includes parcels that were previously proposed for redevelopment by O'Brien at Derry Lane, LLC and SHP Los Altos, LLC, as well as one parcel that was not previously part of either of the earlier project sites. A location map is included as Attachment A.

Project description

Greenheart Land Company ("Greenheart") is proposing to redevelop a multi-acre site on El Camino Real and Oak Grove Avenue with up to 217,000 square feet of non-residential uses and up to 202 dwelling units. The project would demolish the existing structures in the southern portion of the site and construct approximately 420,000 square feet of mixed uses. In total, the project would include three mixed-use buildings, a surface parking lot, an underground parking garage, onsite linkages, and landscaping. The uses at the project site would include approximately 188,900 to 199,300 square feet of non-medical office space in two buildings, approximately 202,100 square feet of residential space (up to 202 housing units) in one building, and up to 29,000 square feet of community-serving space throughout the proposed office and residential buildings. The project would provide approximately 1,000 parking spaces within a parking garage and a surface parking lot. Project plans are included as Attachment B.

The proposal requires approval of Architectural Control for the new buildings, including a Public Benefit Bonus to exceed the Base-level Floor Area Ratio and dwelling unit/acre thresholds. Because the project includes abandonment of a public right-of-way, the City Council will be the final decision-making body on the project, with the Planning Commission providing recommendations. Prior to City Council action, the Environmental Quality Commission will also review and provide a recommendation on proposed Heritage Tree Removal permits, and Transportation Commission review and recommendation could be required for on-street parking changes. The Housing Commission has already reviewed and recommended approval of the applicant's Below Market Rate (BMR) Housing proposal, which consists of providing on-site units in lieu of paying affordable housing linkage fees otherwise imposed on new commercial developments over 10,000 sq. ft. The proposal is consistent with the requirements for commercial development found in Section 3.1 of the Below Market Rate Housing Program Guidelines.

CEQA review

The Specific Plan process included detailed review of projected environmental impacts through a program Environmental Impact Report (EIR), as required by the California Environmental Quality Act (CEQA). In compliance with CEQA requirements, the Draft EIR was released in April 2011, with a public comment period that closed in June 2011. The Final EIR, incorporating responses to Draft EIR comments, as well as text changes to parts of the Draft EIR itself, was released in April 2012, and certified along with the final Plan approvals in June 2012.

As specified in the Specific Plan EIR and the CEQA Guidelines, program EIRs provide the initial framework for review of discrete projects. Most project proposals under the Specific Plan are anticipated to be fully addressed as part of the Specific Plan EIR. However, for the proposed project, staff and an independent CEQA consulting firm (ICF International, with support from W-Trans, a transportation analysis sub-consultant) determined that a project-level EIR was required to examine specific impacts not addressed in the Specific Plan EIR. The specific type of project-level EIR required for the project is defined by Senate Bill (SB) 226 as an "Infill EIR," as the project meets relevant criteria defined by that legislation, as discussed in the Draft Infill EIR. Since this determination, the project's CEQA review has proceeded as follows:

| Date | Milestone | Hearing Body |
|---------------------|--|----------------------------|
| 6/17/14 | EIR Process Information Item | City Council |
| 7/13/14 | Notice of Preparation (NOP) Issuance | n/a |
| 8/4/14 | EIR Scoping Session (held in conjunction with general project Study Session) | Planning Commission |
| 8/13/14 | NOP Comment Deadline | n/a |
| 9/9/14 | Environmental Impact Report (EIR) Contract Approval | City Council |
| 2/24/15 | EIR Status Update | City Council |
| 3/17/16 | Notice of Availability of Draft EIR | n/a |
| 3/18/16 | Draft Infill EIR Review Period Start | n/a |
| <u>3/21/16</u> | <u>Draft Infill EIR Public Hearing</u> | <u>Planning Commission</u> |
| 4/4/16 5:30 p.m. | Draft Infill EIR Review Period End | n/a |

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

Analysis

Draft Infill EIR

The Draft Infill EIR analyzes the following four topic areas:

- Air Quality (construction)
- Hazards and Hazardous Materials
- Noise (traffic noise)

- Transportation/Traffic

Other environmental analysis areas were found to have been adequately addressed in the Specific Plan EIR. The Infill Environmental Checklist is included as an appendix to the Draft Infill EIR, and it explains in detail how the project is consistent with the Specific Plan EIR and creates no new significant impacts for the topic categories not analyzed in the Draft Infill EIR (e.g., Biological Resources, Hydrology/Water Quality).

Impact Analysis

For each of the analyzed topic areas, the Draft Infill EIR describes the existing conditions (including regulatory and environmental settings), and analyzes the potential environmental impacts (noting the thresholds of significance and applicable methods of analysis). Impacts are considered both for the project individually, as well as for the project in combination with other projects and cumulative growth. The Draft Infill EIR identifies and classifies the potential environmental impacts as:

- Potentially Significant
- Less than Significant
- No Impact

Where a potentially significant impact is identified, mitigation measures are considered to reduce, eliminate, or avoid the adverse effects. If a mitigation measure cannot eliminate/avoid an impact, or reduce the impact below the threshold of significance, it is considered a significant and unavoidable impact.

The Draft Infill EIR determined that impacts would be less than significant, or less than significant with mitigation, for the following categories:

- Air Quality (construction)
- Hazards and Hazardous Materials
- Noise (traffic noise)

For Traffic/Transportation, the Draft Infill EIR determined that impacts on pedestrian and bicycle facilities, transit facilities, and railroad crossings would be less than significant, or less than significant with mitigation. However, the following transportation/traffic impacts have been determined to be potentially significant. Mitigations have been specified for most intersections/segments/routes, but except as noted by "LTS/M" (less than significant with mitigation), the impacts below are considered significant and unavoidable due to factors such as the need to acquire additional rights-of-way, violation of existing policies, or a location outside of the City's jurisdiction.

- Impacts on Intersections
 - Near-Term 2020 plus-Project Conditions (TRA-1)
 - #3. Middlefield Road/Glenwood Avenue-Linden Avenue
 - #11. Ravenswood Avenue/Laurel Street [LTS/M]

- #13. Oak Grove Avenue/Alma Street
- #15. Oak Grove Avenue/Derry Lane (Garwood Way)-Merrill Street
- #20. El Camino Real/Ravenswood Avenue-Menlo Avenue
- Cumulative 2040 plus-Project Conditions (C-TRA-4)
 - #2. Middlefield Road/Encinal Avenue
 - #3. Middlefield Road/Glenwood Avenue-Linden Avenue
 - #5. Middlefield Road/Ravenswood Avenue
 - #7. Middlefield Road/Willow Road
 - #9. Laurel Street/Glenwood Avenue
 - #11. Ravenswood Avenue/Laurel Street
 - #13. Oak Grove Avenue/Alma Street
 - #15. Oak Grove Avenue/Derry Lane (Garwood Way)-Merrill Street
 - #17. El Camino Real/Glenwood Avenue-Valparaiso Avenue
 - #18. El Camino Real/Oak Grove Avenue
 - #20. El Camino Real/Ravenswood Avenue-Menlo Avenue
 - #25. Oak Grove Avenue/University Drive [LTS/M]
 - #26. Santa Cruz Avenue/University Drive (N) [LTS/M]
- Impacts on Roadway Segments
 - Near-Term 2020 plus-Project Conditions (TRA-2)
 - #5. Ravenswood Avenue between Laurel Street and Middlefield Road
 - #10. Oak Grove Avenue west of Laurel Street
 - #11. Oak Grove Avenue east of Laurel Street
 - #13. Garwood Way south of Glenwood Avenue
 - Cumulative 2040 plus-Project Conditions (C-TRA-5)
 - #5. Ravenswood Avenue between Laurel Street and Middlefield Road
 - #10. Oak Grove Avenue between El Camino Real and Laurel Street
 - #11. Oak Grove Avenue between Laurel Street and Middlefield Road
 - #13. Garwood Way between Glenwood Avenue and Oak Grove Avenue
- Impacts on Routes of Regional Significance
 - Near-Term 2020 plus-Project Conditions (TRA-3)
 - Willow Road – US 101 to Bayfront Expressway (northbound)
 - Willow Road – Bayfront Expressway (southbound)
 - Bayfront Expressway – University Avenue to Willow Road (westbound)
 - Bayfront Expressway – Willow Road to University Avenue (eastbound)
 - Cumulative 2040 plus-Project Conditions (TRA-6)
 - Willow Road – US 101 to Bayfront Expressway (northbound)
 - Willow Road – Bayfront Expressway (southbound)
 - Bayfront Expressway – University Avenue to Willow Road (westbound)
 - Bayfront Expressway – Willow Road to University Avenue (eastbound)

Partial mitigations are included for the construction of bicycle improvements (Class II bicycle lanes on portions of Oak Grove Avenue and Class III bicycle route on Garwood Way) and implementation of a Transportation Demand Management (TDM) plan, and these would be project requirements. However, these mitigations are not projected to fully mitigate any impacts.

Alternatives

Under SB 226, Draft Infill EIRs are not required to include an analysis of alternatives. However, this Draft Infill EIR includes an alternatives analysis, in order to allow for a fuller discussion of potential Base level projects, in the event that the project's Public Benefit Bonus is not approved. The analysis includes the following alternatives:

- No Project Alternative: As specified by CEQA, this alternative considers re-use of the existing buildings on the site, but no new construction or other site improvements;
- Base Level Maximum Office Alternative: This alternative considers a similar mixed-use project at a Base-level density/intensity, including the maximum amount of non-medical office uses, as well as some community-serving uses; and
- Base Level Maximum Residential Alternative: This alternative considers a similar mixed-use project at a Base-level density/intensity, with a reduced amount of non-medical office uses, as well as some community-serving uses.

The Draft Infill EIR notes that neither of the reduced-intensity projects would eliminate impacts, although the severity of some impacts would be reduced. The Base Level Maximum Residential Alternative is designated as the environmentally superior alternative, as that term is defined by CEQA.

Correspondence

Two items of correspondence have been submitted regarding the Draft Infill EIR, and they are included as Attachment C.

Study Session

The March 21 Planning Commission meeting will also serve as a study session to review the project proposal. This is an opportunity for the Planning Commission and the public to become more familiar with the project, and to ask questions and provide individual feedback on project aspects such as the building design or site layout. In particular, the Planning Commission should consider the project's proposed Public Benefit, as discussed in more detail below.

Neighborhood context

Neighboring land uses include a hotel to the north; single- and multi-family residential units east of the Caltrain right-of-way; the Menlo Park Caltrain Station and mixed-use development (including residential units) south of Oak Grove Avenue; and the El Camino Real commercial corridor to the west. The northeast corner of El Camino Real/Oak Grove Avenue, immediately adjacent to the project site, includes a Chevron gas station and a restaurant/cafe. Downtown Menlo Park is approximately 0.1 mile southwest of the project site. In total, the project site contains seven existing buildings, totaling approximately 25,800 square feet. In addition, the project site currently includes parking, pavement, and limited vegetative features.

The entire project site is within the Specific Plan's El Camino Real Northeast – Residential (ECR NE-R) District. The ECR NE-R District is located in the "El Camino Real Mixed Use – Residential" General Plan

land use designation, which supports a variety of retail uses, personal services, business and professional offices, and residential uses. The ECR NE-R District permits higher residential densities, in recognition of its location near the train station area and downtown.

Land uses

The project includes the following breakdown of land uses:

| Component | Square Feet | % of Overall Project |
|---|--------------------|-----------------------------|
| Apartments (up to 202) | 202,100 | 48.1% |
| Non-Medical Office | 188,900-199,300 | 44.9%-47.4% |
| El Camino Real Community-Serving Uses | 10,700-21,100 | 2.5%-5.0% |
| Oak Grove Avenue Community Service Uses | 7,900 | 1.7% |
| <u>Total</u> | <u>420,000</u> | <u>100.0%</u> |

An earlier iteration of the proposal had a smaller proposed portion of community-serving uses, but the applicant has since increased the amount of community-serving uses that would be guaranteed as part of the project, and has also provided greater definition of such uses. Specifically, the community-serving uses category would include permitted non-residential/non-office uses in the “El Camino Real Mixed Use/Residential” land use designation, for example:

- General Retail Sales
- Full/Limited Service Restaurants
- Food and Beverage Sales
- General Personal Services
- Banks and Financial Institutions
- Business Services
- Personal Improvement Services (subject to a per-business size limit)

In addition, the applicant is requesting that 2,500 square feet of this area could be used for a single real estate office, associated with the property owner. The community-serving uses would wrap around both the El Camino Real and Oak Grove Avenue frontages, helping ensure greater activity and vibrancy on the public-facing sides of the project, and a potential amenity for the general public. Since the commercial uses could vary somewhat in proportion, the Draft Infill EIR considered the most-intense scenario with regard to traffic analysis, to ensure that the analysis was conservative and accurate.

Additional community-serving uses could be considered through case-by-case Administrative Permit and Use Permit review, as specified in Specific Plan Table E1. For example, a restaurant with alcohol service and/or live entertainment would require Administrative Permit review.

The residences would consist of junior one-bedroom units through three-bedroom units, with the majority one-bedroom or two-bedroom in size. The residences would be rented.

Site Layout and Access

The project would require the demolition of the existing buildings at the project site and would entail the construction of three mixed-use buildings, a surface parking lot, underground parking garages, onsite linkages, and landscaping. As noted earlier, the plans are shown as part of Attachment B.

The primarily-office buildings would be oriented in an east-west direction and would front onto El Camino Real. Both buildings would be three stories and would not exceed 48 feet in height (38 feet at the facades facing public rights-of-way). A plaza would be situated between the two buildings with landscaping, and outdoor dining areas. Each of these buildings would feature community-serving uses in the western frontages along El Camino Real. The community-serving uses could vary in size, as noted earlier, but would always occupy the ground floor of the El Camino Real frontage.

The primarily-residential building would front along Oak Grove Avenue and Garwood Way. The building would wrap around a private center courtyard area with a pool. Community-serving uses would be located along the ground floor of the Oak Grove Avenue street frontage. The residential building would consist of four stories and would not exceed 48 feet in height (38 feet at the facades facing public rights-of-way).

A park would be located in the northeast corner of the project site adjacent to Garwood Way and the Caltrain right-of-way. The park would allow for public use and passive recreation.

The project site would be accessible to private automobiles from four driveways: one driveway from El Camino Real and three driveways from Garwood Way. The central portion of the El Camino Real frontage would also feature a driveway that could be used by emergency services.

The project would include the completion of Garwood Way from the northeast edge of the project site to Oak Grove Avenue. This would connect Glenwood Avenue to the north with Oak Grove Avenue to the south and would allow additional access to the project site. The current Garwood Way plan line runs exactly parallel to the Caltrain right-of-way, which would create an off-center alignment with Merrill Street, on the opposite side of Oak Grove Avenue. For safety reasons, the Transportation Division has requested that the extended Garwood Way curve slightly, to align with Merrill Street and to increase the distance between the intersection and the Caltrain tracks. The applicant has agreed to this safety-related adjustment, and the current project plans show this alignment. So that this safety-related change would not impact the parcel size more than the plan line would, a slight adjustment to the width of the new Garwood Way right-of-way (or another property line change) could be required. The Garwood Way extension would be constructed concurrently with the construction of the project.

Trees and Landscaping

There are currently 37 heritage trees at the project site. Over 40 percent of the heritage trees are multi-stemmed Chinese trees of heaven that spread from root sprouts, creating a tree that meets the heritage tree definition, but in general is considered to have limited landscape value. Other tree species at the project site include blackwood acacia, African fern pine, Italian cypress, jacaranda, Canary Island palm, coast live oaks, valley oaks, black locust, and coast redwoods. The project proposes to remove all of these trees. However, the conceptual landscape plan shows a minimum replacement of a two-to-one ratio. There are currently 19 street trees along the El Camino Real and Oak Grove Avenue frontages that are

projected to remain with implementation of the Project. All proposed tree removals and construction effects will be subject to detailed review as the project review proceeds, including consideration by the Environmental Quality Commission.

Public Benefit Bonus

The project would be consistent with the allowed development in the ECR NE-R District with a Public Benefit Bonus. The permitted Floor Area Ratio (FAR) is 1.10, but with a Public Benefit Bonus the FAR can increase to 1.50. In either scenario, non-medical office is limited to no more than one-half the maximum FAR. The maximum height in the ECR NE-R district is 38 feet, although 48 feet is permitted with a Public Benefit Bonus. In either scenario, building facades cannot exceed a height of 38 feet. The project would be constructed at the maximum FAR and height as permitted with a Public Benefit Bonus.

The Public Benefit Bonus allows additional development beyond the base intensity and height in exchange for providing additional benefits to the public. Potential examples of public benefits listed in the Specific Plan include publicly accessible open space, senior housing, additional affordable residential units, hotel facilities, preservation/reuse of historic resources, public parks/plazas, shuttle services, or a public amenity fund contribution. Public Benefit Bonuses require case-by-case discretionary review, and if the Planning Commission and/or City Council ultimately determine that the proposed benefits are not appropriate, a project can be required to be revised to the lower Base Level development standards.

The project has submitted a Public Benefit proposal, which is included as Attachment D. The proposal discusses a number of inherent project benefits, although the Public Benefit itself would take the form of a cash contribution to the pending El Camino Real/Downtown Specific Plan Public Amenity Fund, in the amount of \$2,100,000.

As required by the Specific Plan, staff has coordinated the preparation of an independent fiscal/economic analysis of both the project and its Public Benefit proposal, which is included respectively as two memos (Attachments E and F) by the City's consultant BAE. BAE has prepared detailed 'pro formas,' which examine typical revenues and costs for both the Public Benefit Bonus proposal (Bonus Project), as well as a similar proposal at the Base-level development standards (Base Project). The Base Project has not been fully designed, but the applicant has described it in sufficient detail for BAE to analyze its relative value. Both pro formas take into account factors such as current construction costs, City fees, capitalization rates, and typical market rents. However, as noted in the document, such factors can change, which may substantively affect the conclusions of the analysis. For this case, BAE has determined that development of the proposed Bonus Project would create approximately \$6,300,000 in additional project value compared to the Base Project.

For the value of the proposed Public Benefit, the cash nature of the applicant's proposal means that BAE does not need to provide possible estimates of its equivalent monetary value (as was done for other projects that proposed on-site benefits such as a community garden). However, BAE has provided analyses of the proposed \$2.1 million payment's relationship to other considerations. For example, at its most basic, the proposed payment would represent one-third of the estimated value increase for the proposed project ($\$2.1 \text{ million} / \$6.3 \text{ million} = 0.333$). BAE has also included comparisons with how other jurisdictions are considering this topic, as well as a draft analysis of a "FAR-foot value" calculation method

discussed by the Planning Commission during previous discussions of the public benefit topic. The memo does not recommend acceptance or rejection of the applicant's Public Benefit proposal, but provides context for the consideration of the Planning Commission and City Council.

As noted earlier, the granting of a Public Benefit Bonus is a discretionary action, and should be considered on a case-by-case basis. The study session format allows for a wide range of discussion/direction on the Public Benefit Bonus topic, although the core question is whether the public benefits and the developer benefits are roughly aligned, or whether the public benefit proposal needs to be revised/augmented. The Specific Plan does not establish an explicit ratio for the value of the public benefit in relation to the developer benefit. However, it is implied that these values should not be orders of magnitude apart. The Commission may also note whether any additional information/analysis needed to complete consideration of this item.

Following the Planning Commission and City Council's consideration of the Public Benefit proposal, a range of actions are possible, including:

- If Commissioners/Council Members provide generally positive feedback, the applicant could continue refining the proposal as it is currently structured. The project could then be presented for comprehensive action at a future meeting.
- If Commissioners/Council Members provide direction that the public benefit proposal needs to be revised or augmented, the applicant would consider that guidance and either:
 - Revise the proposal and return for additional study sessions, or request that the revised proposal be processed by staff and presented for comprehensive action at future meetings.
 - Revise the proposal to adhere to the Base level standards, which (as a reminder) provided increased development potential when the Specific Plan was adopted and, as shown in the BAE memo, result in an economically feasible project. The revised Base-level project could then be considered by the Planning Commission and City Council at future meetings.

While the current study session item is an opportunity for individual Commissioner guidance, the Planning Commission as a body may consider a "term sheet" or equivalent action on the Public Benefit Bonus topic at a subsequent meeting, if more formality is desired. Such an action would not represent any sort of binding approval of the Public Benefit Bonus proposal, as the overall project actions need to be considered comprehensively, including with consideration to environmental review requirements. However, a term sheet or similar action could provide documentation of how the Planning Commission viewed this topic at a preliminary stage. The City Council could likewise consider a term sheet as part of its pending study session on this topic, although this is likewise not required.

Impact on City Resources

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

Environmental Review

As discussed in the Analysis section of this report, a Draft Infill EIR has been prepared for the project.

Following the close of the comment period, staff and the consultant will compile the responses to comments document, and will consider and respond to comments received on the Draft Infill EIR. Repeat comments may be addressed in Master Responses, and portions of the EIR may be revised in ~~strike through~~ (deleted text) and underline (new text) format. Once the responses and revisions are complete, the Final Infill EIR will be released, consisting of the Responses to Comments plus the Draft Infill EIR. The Final Infill EIR will be considered by the Planning Commission and City Council concurrent with the final project actions.

Public Notice

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of publishing a notice in the local newspaper and notification by mail of owners and occupants within a 300-foot radius of the subject property. Notice of the Draft Infill EIR's availability and the holding of this public hearing was also provided to agencies and jurisdictions of interest (e.g., Caltrans, Town of Atherton, etc.).

Attachments

- A. Location Map
- B. Project Plans
- C. Draft Infill EIR Correspondence
- D. Station 1300 Public Benefit Proposal
- E. BAE Memorandum – Financial Modeling of Project
- F. BAE Memorandum – Evaluation of Proposed Public Benefit

Disclaimer

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

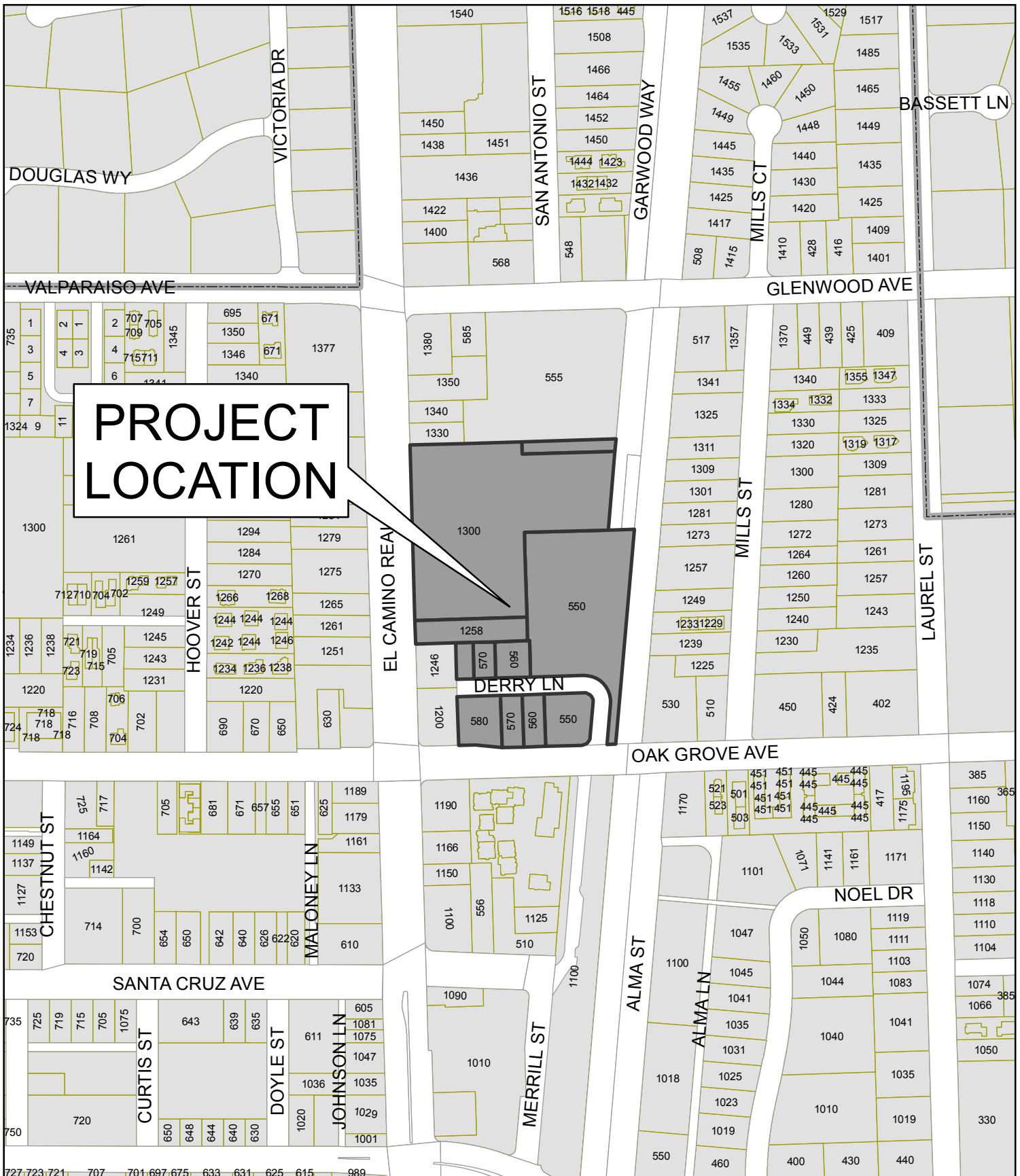
None

Report prepared by:

Thomas Rogers, Principal Planner

Report reviewed by:

Arlinda Heineck, Community Development Director

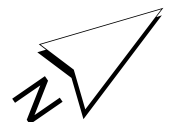


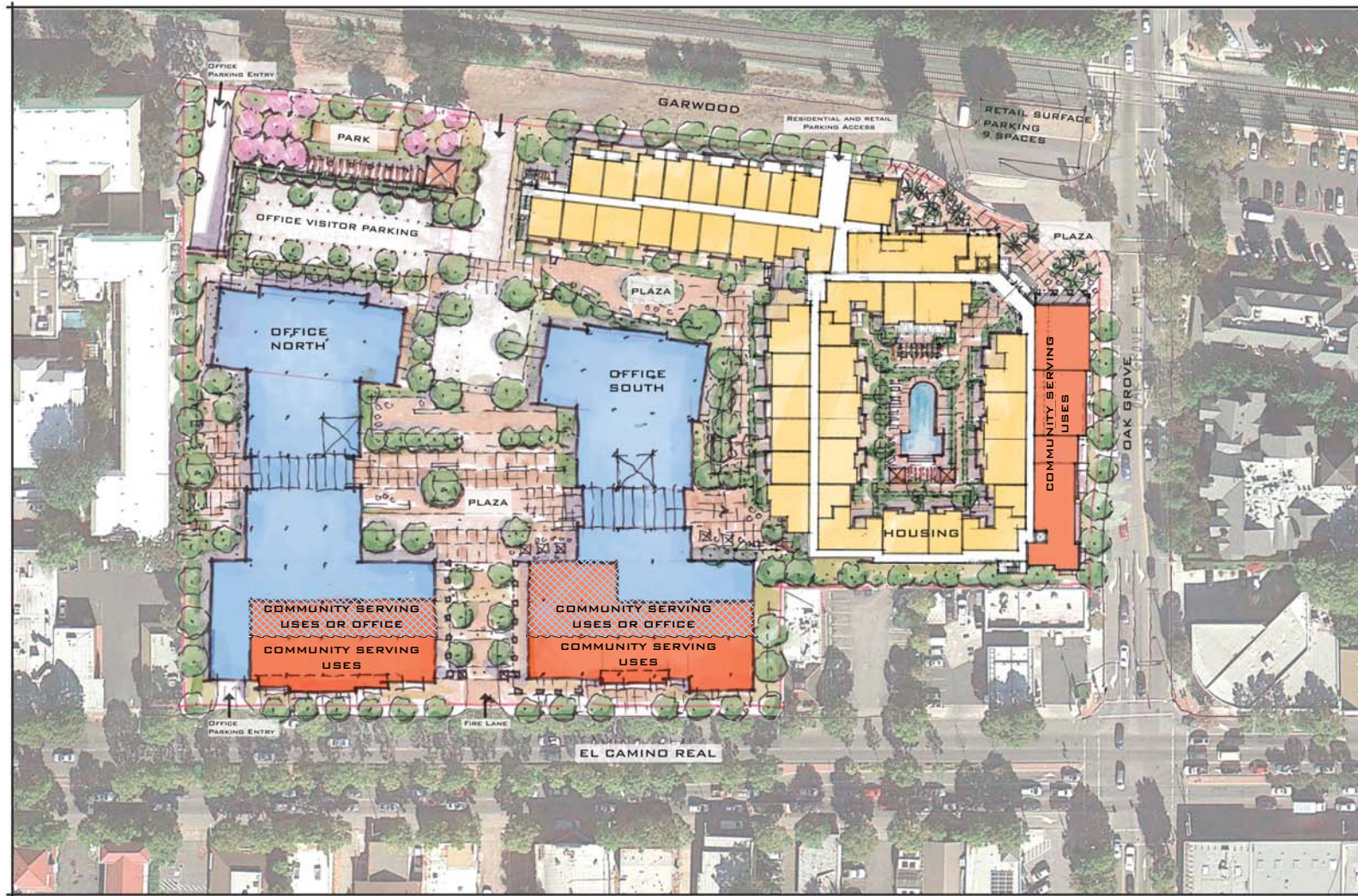
CITY OF MENLO PARK

LOCATION MAP

STATION 1300 (1300 EL CAMINO REAL)

DRAWN: THR CHECKED: THR DATE: 03/21/16 SCALE: 1" = 300' SHEET: 1





Community Serving Uses include Restaurants, Retail & Personal/Business Services

0 40' 80' 160'

1300 EL CAMINO REAL MIXED-USE
Menlo Park, California

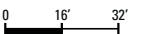
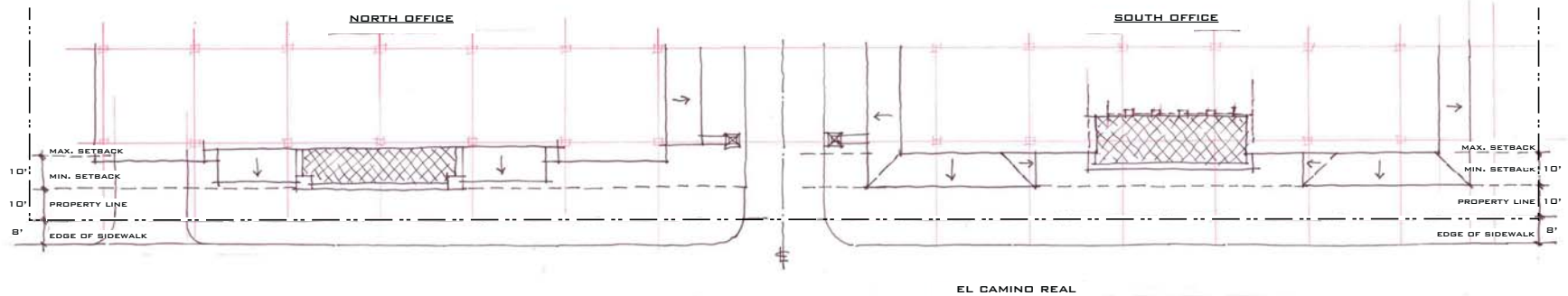
Site Plan at Ground Level

Owner: GREENHEART LAND CO.

Date: 07.29.2014

Project No.: 12060

BARarchitects



1300 EL CAMINO REAL
Menlo Park, California

Office Elevation at El Camino

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects



1300 EL CAMINO REAL
Menlo Park, California

Office at El Camino

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects



ENLARGED
AREA



1300 EL CAMINO REAL
Menlo Park, California

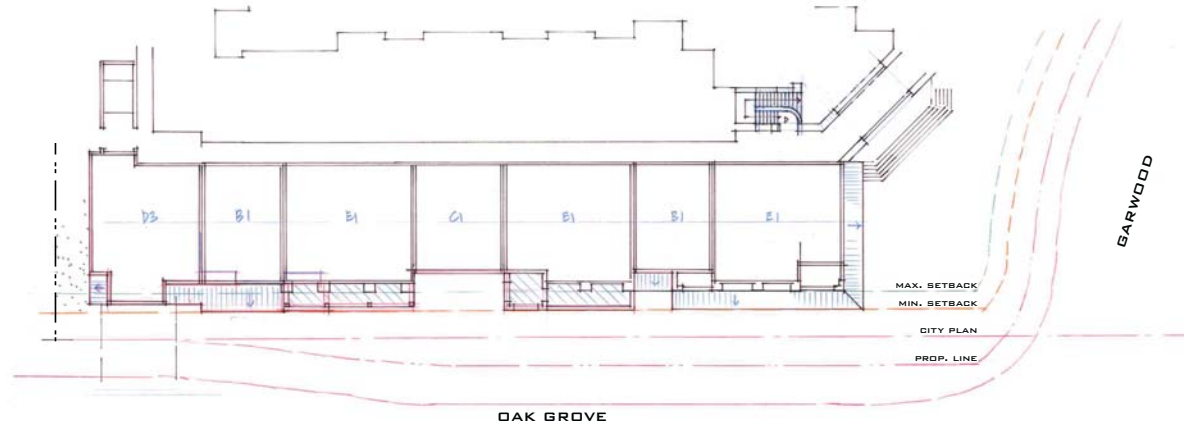
Oak Grove Retail Site Plan

Greenheart Land Co.

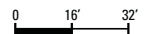
Date: 07.29.2014

Project No.: 12060

BARarchitects



SECOND THRU FOURTH FLOOR RESIDENTIAL UNITS



1300 EL CAMINO REAL
Menlo Park, California

Mixed-Use Elevation at Oak Grove

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects



1300 EL CAMINO REAL
Menlo Park, California

Mixed-Use at Oak Grove

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects



1300 EL CAMINO REAL
Menlo Park, California

View from Oak Grove & Garwood Way

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects











Rogers, Thomas H

From: Jen Yahoo <jenmazzon@yahoo.com>
Sent: Tuesday, February 23, 2016 12:23 AM
To: Rogers, Thomas H
Subject: Greenheart traffic study

Thomas, here are my comments:

Please don't proceed with this development that will make Menlo Park more dangerous for pedestrians and bikers at key intersections and along central city routes. Please consider prescribing a smaller scale project to ensure acceptable traffic impacts.

Jen Mazzon
413 Central Avenue, MP

RECEIVED

MAR 14 2016

CITY OF MENLO PARK
BUILDING

March 6, 2016

Menlo Park Planning Commission
701 Laurel Street
Menlo ark, CA 94025

We've been talking about the Station 1300 development, driving around the area, talking some more, and mostly shaking our heads that this project is even being considered.

Have you driven south on El Camino around 8 AM toward Oak Grove and Glenwood? Have you driven north or west or east in that area at any time? Have you studied and counted cars throughout the day?

It's obvious Greenheart Land Company is only interested in the dollars to be gained. The residents are already (and will increasingly be) concerned with the traffic, continuing loss of local shopkeepers, parking problems, and especially growing loss of hometown pride.

Gold Country, or Brentwood area, here we come !

A handwritten signature in black ink, appearing to be a stylized 'A' or 'E' with a flourish.



January 27, 2016

Mr. Thomas Rogers
Senior Planner, Community Development
City of Menlo Park
701 Laurel St.
Menlo Park, CA 94025

Re: Station 1300 Public Benefit Proposal

Dear Mr. Rogers,

Greenheart Land Company is pleased to submit the attached Public Benefit Proposal for Station 1300. The proposal describes the base and public benefit level developments, as well as the benefits that flow to the community.

We welcome your questions as you review this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Pierce', written over a horizontal line.

Steve Pierce
Principal
Greenheart Land Co.,

**Public Benefit Proposal
for
Station 1300**

Prepared for:
City of Menlo Park

Prepared by:
Greenheart Land Company

January 27, 2016

Public Benefit Proposal for Station 1300

Greenheart Land Co. (“GLC”) has proposed to develop a mixed-use project at Public Benefit density at the properties located at 1258 and 1300 El Camino Real and the adjacent Derry Lane parcels. Preliminary drawings of the proposal have been submitted to the City. The following summarizes benefits of Station 1300 to Menlo Park.

There are two categories of benefits: (1) intrinsic community benefits, those that are integral to the development itself, and (2) Public Benefits, those that are proposed to achieve the public benefit density as specified in the El Camino Real/Downtown Specific Plan (“Plan”). Station 1300 will be a dramatic improvement to a prominent and long blighted site and, by its nature, bring extraordinary benefits that will be enjoyed by many. Station 1300 will be more than a place to work and live; it will offer the people of Menlo Park new venues to shop, eat and gather. Further, the intrinsic benefits to the community will include such things as new bike routes; sorely needed rental housing; revenues for the City, schools, and other public entities; and fulfillment of the Plan Vision.

At the public benefit density (“Public Benefit Case”), the intrinsic community benefits of Station 1300 will far exceed those of the base density (“Base Case”). For example, there will be more and larger public spaces; more greatly needed residential units; greater stimulus to the downtown; and more revenue to the City, schools, fire department and other governmental entities.

In addition to these intrinsic community benefits, GLC will make a Public Benefit cash contribution of \$2,100,000 to the Downtown Amenity Fund. This is one third of the incremental financial benefit that the City’s consultant BAE has determined will accrue to GLC from the Public Benefit Case.

The Public Benefit Case and Base Case developments are described below in Section I. The intrinsic community benefits are detailed in Section II, and the Public Benefit is described further in Section III.

I. Development Description

At base density (i.e., floor area ratio – FAR – 110%), Station 1300 would consist of 310,000 sf in the form of two 2-story office buildings totaling 155,000 sf; a 3-story rental residential structure; 10,000 sf of community serving businesses (such as restaurants and retail) spread among the three buildings; and a 5-level above ground parking structure. The public benefit density (i.e., FAR 150%) development would consist of 420,000 sf, which would include about 190,000 sf of office buildings at 3-stories; 202,000 sf of apartments at 4-stories; about 30,000 sf of space for community serving businesses; and one and one-half floors of underground parking. The Public Benefit Case would have more open space, more residences, and more space devoted to community serving businesses. The two development scenarios are described further in Exhibit A.

II. Intrinsic Community Benefits

Station 1300 will benefit Menlo Park in numerous ways, and the Public Benefit Case development has several advantages over the Base Case development. The benefits of the Base and Public Benefit cases are compared in Exhibit B and described in detail below. The costs of the community benefits for each case are summarized in Exhibit C.

Those benefits that are equally afforded by both alternatives are described below in Section IIA. By most measures the Public Benefit Case offers substantially more intrinsic community benefits as described in Section IIB.

A. Similar Benefits of Public Case and Base Case

Of the twelve Plan goals, Station 1300 fulfills all that are applicable. Some will be met to an equal degree by both cases.

- 1. Improve circulation and streetscape conditions on El Camino Real:** Greenheart will build a new public street on its property to connect Glenwood Ave with Oak Grove Ave. Ownership of the land and improvements will be deeded to the City. The new street will complete the connection between Encinal Ave and Ravenswood Ave, and improve access to the Caltrain station, and remove some cars from El Camino. With the missing link in place, Garwood will become a safe alternative bike route to El Camino Real for travel to the Caltrain station and Santa Cruz Ave. The cost to construct the new public street is estimated to be \$2,300,000 (excluding land and design costs) and will be borne by Greenheart.

Another important circulation program will be robust GLC Transportation Demand Management (TDM) program which will reduce the number of vehicular trips of employees and residents. These TDM's include Caltrain Go-Passes (free 24/7 train use) for every apartment and office employee, extensive bike parking, showers and changing rooms in the office buildings, preferential car pool parking, and pay parking, an economic incentive to not drive.

The El Camino streetscape at the site of Station 1300 has been a community embarrassment for more than a decade. Station 1300 will fulfill the long held citywide desire for improvement.

- 2. Ensure that El Camino Real development is sensitive to and compatible with adjacent neighborhoods:** The architecture of Station 1300 draws from the Spanish Eclectic that is enjoyed at the revered Allied Arts complex and many structures throughout Menlo Park. The apartments will face Garwood and Oak Grove and thereby provide an attractive façade to the residential neighborhoods to the east and the 1155 Merrill condominiums. Further, the apartments will be separated by over 100 ft. from the residential neighborhood to the east by the intervening Garwood extension and the railroad right-of-way.

3. **Revitalize the under-utilized parcels and buildings:** Station 1300 will revitalize one of the two most significant under-utilized areas on El Camino Real in Menlo Park.
4. **Provide an integrated, safe and well-designed pedestrian and bicycle network:**
Currently Garwood terminates at the rear of Station 1300 at the border of the former Derry Property. With the extension of Garwood to Oak Grove and the provision of a sidewalk and bicycle route, the link between neighborhoods to the north, including the two new hotels, to the Caltrain Station, downtown, and beyond, will be completed to provide a route safer and more pleasurable than the El Camino alternative. Additionally, at GLC's expense, Oak Grove will be widened to accommodate a bike route, thereby improving the important connector between West Menlo and Menlo-Atherton High School.

B. Enhanced Benefits of the PB Case

Under the Public Benefit Case, many of the Plan goals will be met to a greater degree of than with the Base Case. In addition, the Public Benefit Case will generate more revenues for the City, schools and other governmental entities.

1. **Maintain Village Character:** Station 1300 will include the elements that define Menlo Park's "Village" character: street level activity, scale of buildings, open space, and eclectic and inviting architecture. The El Camino and Oak Grove frontages will have ground level shops and restaurants consistent with the areas around it. Even at the Public Benefit height, Station 1300 will be consistent with many of the buildings in the El Camino corridor, including the adjacent condominiums at the corner of Oak Grove and Merrill. Further, the buildings are highly articulated to break up the mass and to continue the varied shapes and forms that characterize the Plan area.

One dimension of Menlo's "Village" character is its open spaces. The Plan requires that new development in the Plan area have 20% open space. The Base Case alternative would barely achieve this objective because of the above ground parking structure. The Public Benefit Case would devote over 49% of the site to at grade open space. Underground parking (Public Benefit Case only) is a considerable benefit to the community because it eliminates the need for an above ground parking structure (Base Case) and thereby reduces building coverage and increases the amount of open space. Underground parking will cost GLC over \$26,000,000 more than above ground parking according to the BAE study done for the City. In addition, village character is enhanced by the elimination of the 5-level Base Case parking structure.

2. **Improve circulation and streetscape condition on El Camino Real:** In addition to the improvements described previously (e.g., extension of Garwood), Station 1300 will contribute nearly \$1,300,000 in traffic impact fees to improve circulation. (This is \$350,000 more than with the Base Case.)
3. **Activate the train stations:** Station 1300 is the "poster-child" for mixed-use transit oriented development. The importance of the proximity to the Caltrain station is emphasized in the

name of the development, Station 1300. The train station area will be activated by increasing train ridership and creating a center of activity at the Oak Grove Plaza.

Business and residential tenants will be attracted to Station 1300 because they want to get out of their cars and commute by train, as well as walk to downtown amenities. Further, GLC will issue Caltrain Go-Passes to all tenants to incentivize rail use.

The main entry of the residential building and Oak Grove Plaza will be oriented toward and have a line of sight connection with the train station. This node will be activated by the convergence of many uses: leasing office, adjacent retail, plaza café with outdoor dining, the grand entry to the apartments, and in the Public Benefit Case, the pedestrian entry to the under ground parking. The Public Benefit Case will have 35% more floor area, and therefore 35% more people than the Base Case. Thus, it will bring 35% more activity to the train station than the Base Case.

4. Expand shopping, dining and neighborhood services to ensure a vibrant downtown:

Along the El Camino Real frontage, the Public Benefit Case would offer two restaurants as well as community serving businesses. It is contemplated that Oak Grove businesses will include casual dining and other food related products. The Public Benefit Case will devote 18,600 sf to 29,000 sf to these uses. The Base Case will designate 10,000 sf for community serving uses.

In addition, activity in downtown will increase when there is a greater daytime and evening population to support existing and new businesses: restaurants, retail, and services. This in turn will attract more Menlo Park residents to downtown. Station 1300 office workers will be daytime patrons and new residents will enliven downtown in the evening. Like with the increased activity in the Caltrain Station area described above, the Public Benefit Case can reasonably be expected to bring 35% more stimulus, not counting the multiplier effect, to the downtown than the Base Case.

5. Provide residential opportunities in the Vision Plan Area: Menlo Park homes are among the most expensive in a region that itself is one of the most expensive in the U.S. The average sales price for a single family home in Menlo Park in 2015 was \$2,340,000. All residences at Station 1300 will be for rent, not purchase. Even at market rate, Station 1300 will add a significant number of relatively affordable units (when compared to purchasing a home) to the city housing stock. These units will appeal to a younger demographic that cannot afford to buy in Menlo Park and will, thereby, increase diversity. In addition, it is this demographic that will be especially drawn to Station 1300 because of the proximity of downtown resources. Under the Public Benefit Case, there will be 182 units, 10 of which will be below market rate (BMR). The Base Case development would have a total of about 130 units, 7 of which would be BMR. (GLC is proposing a BMR plan that could provide considerably more BMR units within the City, but in any event the Public Benefit Case will result in proportionally more BMRs.)

- 6. Provide plaza and park space:** Much of the increased open space afforded by underground parking will be made available to the public in the form of two plazas, an amphitheater plaza, and a park. These amenities are depicted in Exhibit D.

Unlike Alma Station, there is no plan to cordon off these spaces to prevent public access. Indeed, it is GLC's desire for the community to energize the spaces.

Central Plaza: Between the office buildings, there will be a large (approximately one-half acre) plaza that will be a central feature of Station 1300. (The Base Case Central Plaza would be considerably smaller.) This will be a multi-use gathering place for the community. The pedestrian entry off El Camino will be through a colonnade with restaurants on each side. The Garwood entry will take the visitor through a landscaped corridor, past Garwood Park, and through the amphitheater. At the western end will be family restaurant dining that will flow into the Plaza. The courtyard at the center will be bordered by landscaped islands that are 18 inches above the plaza surface, which will serve as seating. Café tables in the tree-shaded islands will be for non-restaurant dining or hanging out with friends or a laptop. Children, in particular, will enjoy the "play art" sculptures in the islands. The central courtyard will accommodate larger gatherings such as concerts, presentations, social gatherings, and the like. The design of the Central Plaza is intentionally flexible to allow uses as varied as reading in the shade to a reception for hundreds of people.

Oak Grove-Garwood Plaza: GLC will provide an approximately 3,600 sf plaza at the corner of Oak Grove and the new Garwood extension. (The Base Case plaza would be smaller.) The plaza will feature decorative paving, outdoor seating, and landscaping. It will be adjacent to food and retail services. This plaza is oriented to the Caltrain station to enliven the station area and is intended for outdoor dining in the spirit of Café Borrone's Plaza.

Garwood Park: GLC will provide an approximately 18,000 sf park near the northeast portion of the development along Garwood Avenue. This will be a place of recreation, both active and passive. Proposed amenities include bocce courts, ping pong tables, BBQs, picnic tables, and park seating. The park will be highly landscaped and have a shade trellis. (Garwood Park is not included in the Base Case.)

Plaza Amphitheater: Between Garwood Park and the Central Plaza will be an 8,200 sf amphitheater area for public presentations, musical or otherwise, at a scale more intimate than the Central Plaza. (The Base Case does not include the amphitheater.)

The construction cost of the park and plazas is estimated to be \$3,380,000. The plazas are priced at \$57 per square foot, which is the amount estimated for the Alma Station Public Benefit. At \$85 per square foot, Garwood Park will be somewhat more expensive because of the higher level of improvements (e.g., trellis, BBQ facilities, permanent game tables, and bocce courts). Refer to Exhibit C.

- 7. Financial Benefits:** Both the Base Case and Public Benefit Case developments will generate annual tax revenues to the City and other public entities, as well as one-time fees to the City

and schools. Those residing and working at 1300 ECR will also spend in the Menlo Park economy.

In summary, the Public Benefit development will provide the City and other public agencies, with over \$8,000,000 in impact fees, \$1,700,000 more than the Base Case development. The Public Benefit development will also spur over \$21,000,000 in annual retail sales in Menlo Park, which is \$10,000,000 more than the Base Case development.

Further, the Public Benefit Case will increase annual revenues to the City by \$550,000, which is \$170,000 more than the Base Case development. The Public Benefit development will provide \$1,700,000 per year in tax revenues to schools, which is \$425,000 per year more than the Base Case. The total annual revenues to all public agencies generated by the Public Benefit Case will be about \$5,000,000 or \$1,700,000 more than the Base Case.

- 8. Promote Sustainability**—A Downtown Plan guiding principle is to incorporate a *“comprehensive approach to sustainability and carbon emissions reduction, utilizing standards integrated with best practices and guidelines.”* Station 1300 has established the goal of LEED Platinum certified office buildings as well as LEED Gold certification for the residential building. In addition, the office building will attempt to be certified as a Net Zero Energy building by employing over 3,000 solar photovoltaic panels on the roofs as well as incorporating an Open Loop Ground Source Heat Exchange heating/cooling system that will utilize deep groundwater to heat/cool both the office and residential buildings. Reaching these goals will be a first by a privately funded speculative development in California. LEED Silver is the goal for the Base Case residential and office buildings.

III. Public Benefits

A. Introduction

As described previously, the Public Benefit Case offers the community intrinsic benefits that exceed those of the Base Case (e.g., greater revenues, more housing, more public open space). In addition, GLC will provide a Public Benefit that recognizes the value created by the increased floor ratio.

The Plan encourages Public Benefits that are on-site (e.g., parks, plazas, and common rooms, pg. E17) and off-site (e.g., shuttle services, public amenity funds, pg. E17). The goal of the Plan is to encourage project sponsors to incorporate on-site Public Benefits that improve project quality and long-term utility to the public. GLC has sought to design Station 1300 to fulfill the vision of the Plan in all respects and to be an enduring asset to the community. GLC believes that the Public Benefit Case includes, as intrinsic benefits, many on-site features that address the Plan’s goals for public amenities.

B. Proposal

GLC proposes, beyond the on-site benefits noted above, to contribute \$2,100,000 to the Downtown Amenity Fund for use in the Plan area in a manner decided by the people of Menlo

Park. This could include anything from a downtown parking structure, to downtown beautification, to whatever is deemed needed. The cash contribution would be one-third of the \$6,300,000 value calculated by BAE and nearly two times the 18% cash Public Benefit provided by Alma Station. Refer to Exhibit E for further explanation.

One major difference between the Public Benefit Case and the Base Case is the underground parking, which because of the high cost and additional time to construct increases development risk considerably. The amount of the contribution to the Downtown Amenity Fund reflects this added risk and the significant community benefits (e.g. open space and plazas) that are the consequence of locating the parking underground.

IV. Summary

The GLC Public Benefit consist of a \$2,100,000 contribution to the Public Amenity Fund. In addition, Station 1300 community benefits will include a park and plazas (1.2 acres) that are open to the public (costs \$3,380,000); the extension of Garwood for vehicles, bikes, and pedestrians (cost \$2,300,000); and for the Public Benefit Case additional impact fees (\$1,700,000) and additional annual revenues to the schools (\$425,000 per year), as well as other intrinsic benefits.

Exhibit A

Development Summary: Base and Public Benefit Cases Station 1300

| Land Use/Description | Base Case | Public Benefit Case | Difference |
|---|------------|---------------------|------------|
| Office | | | |
| No. of buildings | 2 | 2 | 0 |
| Height | 38 ft | 48 ft | 10 ft |
| Façade height | 38 ft | 38 ft | 0 ft |
| Stories | 2 | 3 | 1 |
| Space (sf) | | | |
| Office | 155,000 | 188,900 | 33,900 |
| Community serving (CS) (maximum)* | 5,000 | 21,100 | 16,100 |
| Total | 160,000 | 210,000 | 50,000 |
| Residential | | | |
| No. of buildings | 1 | 1 | 0 |
| Height | 38 ft | 48 ft | 10 ft |
| Façade height | 38 ft | 38 ft | 0 ft |
| Stories | 3 | 4 | 1 |
| Space (sf) | | | |
| Apartments | 145,000 | 202,100 | 57,100 |
| Community serving | 5,000 | 7,900 | 2,900 |
| Total | 150,000 | 210,000 | 60,000 |
| Apartments | | | |
| Market rate | 123 | 172 | 49 |
| Below market rate | 7 | 10 | 3 |
| Total | 130 | 182 | 52 |
| Office+Residential+CS | | | |
| Floor area ratio | 1.10 | 1.50 | 0.40 |
| Total area | 310,000 sf | 420,000 sf | 110,000 sf |
| Parking | | | |
| Type | Above grnd | Below grnd | N/A |
| Levels | | | |
| Above ground | 4 | 0 | 4 |
| Below ground | 1 | 2 | 1 |
| Total | 5 | 2 | 5 |
| Parking spaces | 813 | 980 | 167 |
| Open Space at grade (Percentage of Site area) | 20% | 49% | 29% |

* The minimum amount of space for community serving businesses in the office buildings would be 10,700 sf, which would result in 199,300 sf of office space.

Exhibit B

Intrinsic Community Benefits

Comparison of Base and Public Benefit Cases

| Benefit | | Base Case | PB Case | Comments |
|---|--|-----------|---------|---|
| <i>Downtown Specific Plan Vision</i> | | | | |
| | Maintain village character | X | XX | PB Case: 29% more of the site in open space |
| | Improve ECR circulation and streetscape | X | X | Extend Garwood, Cost \$2,300,000 |
| | ECR neighborhood compatability | X | X | |
| | Revitalize underutilized parcels | X | X | |
| | Activate train station | X | XX | PB Case: more transit patrons and activity |
| | Expand shopping and vibrancy | X | XX | PB Case: 35% more people and economic activity |
| | Provide residential opportunities | X | XX | PB Case: 52 more units (3 more BMR units) |
| | Provide plazas and park space | X | XX | PB Case: more plaza and park space at an additional cost of \$2,670,000 |
| | Central plaza | X | XX | PB Case: larger plaza |
| | Oak Grove-Garwood Plaza | X | XX | PB Case: larger plaza |
| | Garwood Park | 0 | X | Base Case: no park |
| | Amphitheater Plaza | 0 | X | Base Case: no amphitheater |
| | Provide pedestrian and bike network | X | X | |
| <i>Financial benefits</i> | | | | |
| | Annual tax rev. to all public agencies including schools | X | XX | PB Case: @1,700,000 per year more revenue |
| | Annual tax rev. to schools | X | XX | PB Case: \$425,000 per year more revenue |
| | Impact and connection fees | X | XX | PB Case: \$1,700,000 more fees |
| <i>Sustainability</i> | | | | |
| | Office buildings | X | XX | PB Case: seek to attain LEED Platinum and Net Zero Energy Base Case: LEED Silver |
| | Residential buildings | X | XX | PB Case: LEED Gold Base Case: LEED Silver |

Legend

0 = benefit not present

X = benefit present

XX = greater or enhanced benefit

Exhibit C

Cost of Intrinsic Community Benefits

| Community Benefit | | | Cost to GLC | | |
|--|--------|---------|-------------------------|-------------------------|-------------------------|
| | | | Base Case | PB Case | Difference |
| Garwood Extension | | | \$2,300,000 | \$2,300,000 | \$0 |
| New Bike Routes | | | NIC | NIC | |
| Open Space (additional cost for underground parking) | | | \$0 | \$26,000,000 | \$26,000,000 |
| Park and plazas | | | | | |
| | (sf) | (\$/sf) | | | |
| Central plaza* | 20,930 | \$57 | \$570,000 | \$1,193,010 | \$623,010 |
| Oak Grove/Garwood plaza* | 3,620 | \$57 | \$142,500 | \$206,340 | \$63,840 |
| Amphitheater plaza | 8,224 | \$57 | \$0 | \$468,768 | \$468,768 |
| Garwood Park | 17,850 | \$85 | \$0 | \$1,517,250 | \$1,517,250 |
| Total | 50,624 | | \$712,500 | \$3,385,368 | \$2,672,868 |
| Downtown Vibrancy | | | NIC | NIC | NIC |
| Rental Housing (more affordable than for sale housing) | | | NIC | NIC | NIC |
| Financial Benefits | | | | | |
| Annual tax revenue to public agencies | | | \$3,300,000 per year | \$5,000,000 per year | \$1,700,000 per year |
| Impact fees & Connection fees | | | \$6,500,000 | \$8,200,000 | \$1,700,000 |
| Fulfill El Camino Real/Downtown Specific Plan Vision | | | NIC | NIC | NIC |

* Under the Base Case the Central Plaza will be about 10,000 sf and the Oak Grove Plaza 2,500 sf.

Exhibit D

Site Plan and Renderings



STATION
— 1 3 0 0 —

Site Plan



STATION
— 1 3 0 0 —

Shops, restaurants, and offices on El Camino Real



STATION
— 1 3 0 0 —

Shops on Oak Grove



STATION
— 1 3 0 0 —

Apartment courtyard



STATION
— 1 3 0 0 —

Central plaza and north office building



STATION
— 1 3 0 0 —

Oak Grove at Garwood

Exhibit E

Alma Station Public Benefits

| Public Benefits | % of Cost of Public Benefit Attributed by City to Public Value | Cost of Public Benefit as % of Increased Project Profit |
|------------------------------|---|--|
| On-site | | |
| Plazas | 100% | 22% |
| Coffee Kiosk | 100% | 19% |
| Electric Vehicle Charge | 100% | 3% |
| Total: | | 44% |
| Off-Site | | |
| Contribution to Amenity Fund | 100% | 18% |

bae urban economics

Memorandum

To: Thomas Rogers, City of Menlo Park

From: Ron Golem, Stephanie Hagar, BAE

Date: March 14, 2016

Re: Financial modeling of public benefit bonus for potential 1300 El Camino Real project

Overview: Purpose of the Analysis

This memorandum presents the results of BAE's modeling of the value of a proposed horizontal mixed-use development project at 1300 El Camino Real in Menlo Park, which would utilize the public benefit program outlined in the El Camino Real / Downtown Specific Plan. This memorandum evaluates the potential developer profit from a project with the base entitlements versus one with a public benefit bonus. Based on the findings presented in this memorandum, BAE has prepared a separate memorandum to evaluate the developer's proposed public benefit contribution relative to the increase in value attributable to the public benefit bonus.

The potential project as conceived to date by the developer ("base project"), consistent with the base entitlements in the Specific Plan, would consist of a two-story office building of approximately 150,000 gross square feet with a parking structure behind it; and 137 rental residential units in a 3-story building above a podium structure that would contain parking. Approximately 15,000 square feet of retail would be provided between both buildings. The base project is not the developer's preferred option, and has not been designed in detail, other than what is needed to conduct this analysis.

The potential project with the public benefit bonus allowed by the Specific Plan ("bonus project") would place all parking in a two-level underground parking garage beneath the development. The site would then accommodate two three-story office buildings with approximately 218,000 gross square feet; and 182 rental residential units in a four-story building. Ground floor community serving uses would comprise approximately 7,900 square feet in the residential building and 10,700 to 21,100 square feet in the office building. The bonus project is the developer's preferred scenario, and has been currently the subject of more design work.

San Francisco

1285 66th St.
Emeryville, CA 94608
510.547.9380

Sacramento

803 2nd St., Suite A
Davis, CA 95616
530.750.2195

Los Angeles

706 South Hill St., Suite 1200
Los Angeles, CA 90014
213.471.2666

Washington DC

1400 I St. NW, Suite 350
Washington, DC 20005
202.588.8945

New York City

49 West 27th St., Suite 10W
New York, NY 10001
212.683.4486

Key Findings

Pro forma analysis was conducted to estimate the profit from the two alternative development programs, using information provided by the developer as well as BAE's independent research and evaluation of development costs and market conditions (the pro formas are attached to this memorandum). Sensitivity analysis was also conducted to test how these findings might change based on changes in cost or market conditions. Key findings include:

- The bonus project would result in approximately \$78.2 million of profit to the developer (with development cost of \$275 million including land with carrying costs), compared to approximately \$71.9 million of profit for the base project (with development cost of \$200 million including land with carrying costs). This means that the bonus project realizes \$6.3 million in additional profits compared to the base project.
- Based on the pro forma assumptions, both projects are feasible, with the base project achieving a strong adjusted 43 percent return on total costs (a standard metric for return used by developers), and the bonus project achieving strong adjusted 30 percent return on costs).

Because development returns are sensitive to changes in project costs, interest rates, market rental rates and other factors, a sensitivity analysis of selected risk factors as conducted to identify how changes could impact the above findings. The results of this analysis are shown in the table below:

Sensitivity Analysis for Potential 1300 El Camino Real Project Profit (\$ millions)

| Scenario | Base Project Profit | Bonus Project Profit | Profit Increase |
|---|---------------------|----------------------|-----------------|
| BAE Estimate | \$71.9 | \$78.2 | + \$6.3 |
| Underground Parking Cost Shift | | | |
| 10% Cost Increase | \$69.7 | \$72.6 | +\$2.9 |
| Construction Hard Cost Shift | | | |
| 10% Cost Increase | \$62.5 | \$65.2 | +\$2.7 |
| Change in Capitalization Rate (Corresponds to Interest Rate Hike, Lower Project Value) | | | |
| 0.25% Rise | \$59.1 | \$61.5 | +\$2.4 |
| 0.50% Rise | \$47.5 | \$46.4 | -\$1.1 |
| Increase in Rental Rates | | | |
| 5% rent increase | \$87.3 | \$98.3 | \$11.0 |

Source: BAE, 2015.

The sensitivity analysis shows that the estimate of \$6.3 million increase in profit from the bonus project falls within a range of potential outcomes from an increase in project profit of

\$0 million to \$11.0 million. All projects remain feasible, and generate an increase in value for the bonus project, except for a 0.5 percent increase in cap rates, which causes a decrease in value between the base and bonus project because the increase in project value no longer exceeds the increase in total project cost (the lower bound value for the value of the bonus is treated as \$0).

The cost of underground parking is a key factor because it is the most expensive way to provide parking (\$42,500 per space versus \$21,000 for above-ground parking structures), and it is necessary to fully take advantage of the public benefit bonus. Underground parking costs can vary substantially based on site geotechnical conditions.

Capitalization rates are used to estimate the value of income properties and move in tandem with changes in interest rates (capitalization rates are a measure of project net operating income relative to project value, since income is constant a rise in rates means a property is worth less). A significant increase in interest rates will make the finished project worth less, and shrink the profit from the bonus project.

Finally, local residential rental rates have spiked in the current cycle, and to avoid overstating potential rents they are based on the mid-range of rents in new local area high-end rental residential developments. Profit will increase if rents continue to rise and/or top of market rents can be realized.

Limiting Conditions

The above analysis is based on cost and valuation factors along with market rental rates provided by the potential developer and identified by BAE in its independent research during the Second Quarter of 2015. The project is in pre-development, and as design and development work proceeds it is possible that changes in design, building code requirements, construction costs, market conditions, interest rates, or other factors may result in significant changes in costs and profits. Depending upon these changes, the project as built may become more profitable, or could become less profitable or even infeasible. The figures in this analysis should not be relied upon beyond the next three month to six month period, and may be superseded before then.

For these initial findings, BAE used an estimate of land value based on partial property records. This land value represents a top of market estimate for development sites in Northern Santa Clara County, and is supported by the high office rents and residential rents that can be realized. To the extent that the actual cost of land for the project differs, it would change the total profit from the base or bonus project. However, because it is a fixed cost for both projects, it would not be expected to change the difference in profit between the base and bonus project.

The impact fee calculation does not include sewer connection fees because these are based on flow calculations that are not available at present. These, however, should be proportional between the base project and bonus project, and therefore should not substantially affect the calculation of the increase in profit for the bonus project.

Methodology

BAE met with City staff and the potential developer for 1300 El Camino Real to review the proposed site plan and development program and review the developer's assumptions regarding costs, rental rates, operating costs, capitalization rates, and other factors. BAE subsequently conducted independent research to verify these figures. This included interviews with area developers of office space and rental residential projects to confirm construction costs, operating costs, and capitalization rates. Confidential project cost information for other proposed projects under consideration by the City was reviewed. A review of cost figures for the appropriate construction types as published in the R.S. Means Company construction cost guides was conducted. Rental rates for comparable projects were researched for two recently built high-end rental residential projects in Mountain View (no recently built market rental residential projects in their initial lease up period were identified in Menlo Park or Palo Alto). Published reports on local market area capitalization rates were reviewed. Review of other assumptions, such as acceptable developer returns, was based on BAE's experience with other projects in the local market area.

This information was then used to prepare a project pro forma (projection) model for the base project and the bonus project. The pro formas consist of Excel worksheets that show assumptions for the development program, development costs, income, operating expenses, and financing costs. The worksheets then show the calculation of project cost by category, and an analysis of the value of the new development by component, and profit and return. The model is set up to calculate project profit as the residual value, by deducting total development costs (including land) from the market value of the completed project. To confirm feasibility, the "return on costs" was calculated (profit divided by total development costs excluding land); the current market range is between eight and 12 percent return on cost, depending upon the project type, local market condition, and overall project risk.

The pro forma models are attached to this memorandum, with the base project shown first, followed by the bonus project. Each model consists of two pages: the first page is a summary of development costs and the analysis of project value, profit and return; the second page contains all the assumptions used to calculate cost and return.

Key Assumptions

The pro formas set forth all assumptions used in the analysis. Following is a summary of key assumptions that were used for both models:

- The residential units mix includes studios, junior one-bedroom units, one-bedroom units, two-bedroom units, and a small number of three-bedroom units. Approximately two-thirds of the units are one-bedroom or two-bedroom units, reflecting market demand.
- Unit sizes range from 535 square feet for junior one-bedroom units, to 713 square feet for one-bedroom units, to 1,096 square feet for two-bedroom units, to 1,549 square feet for the three-bedroom units.
- Monthly rental rates range from \$3,300 for a junior one-bedroom unit, to \$3,600 for a one-bedroom unit, to \$4,300 for a two-bedroom unit, to \$6,200 for the three-bedroom units.
- Below market-rate (BMR) units are included pursuant to the City's BMR requirements for commercial development. Rental rates for the BMR units are assumed per City policy, and range from \$1,643 for a studio or junior one-bedroom unit, to \$1,878 for a one-bedroom unit, to \$2,113 for a two-bedroom unit.
- Rental rates for the office space are assumed to be \$66 per square foot per year, triple-net. The rental rate for retail space is assumed to be \$36 per square foot per year, triple-net, reflecting locations that are not as directly accessible to El Camino Real as other retail.
- Hard construction costs range between \$240 per square foot for commercial to \$250 per square foot for the residential. By comparison, the residential construction cost is approximately one-third higher than a standard multifamily project, reflecting a much higher quality of design and greater building amenities.
- Parking hard costs range, on a per space basis, from \$21,000 for structured spaces and \$31,000 for podium spaces in the base project, to \$42,500 per space for underground parking in the bonus project.
- All City impact fees were calculated and included, except for the sewer connection fee (as noted in the limiting conditions section of this memorandum).

Pro Forma for Mixed-Use Development with Base Case per Specific Plan

Proposed Project at 1300 El Camino Real, Menlo Park CA

ADMIN DRAFT

| Development Program Assumptions | | | | Cost and Income Assumptions | | | |
|---|---------|---------|--------|--|----------|--------|---------------|
| Characteristics of Project | | | | Development Costs | | | |
| Site - gross acres / square feet (sf) | 7.11 | 309,712 | | Demolition costs, per site sf | | | \$2.42 |
| Site area net of Garwood Ave - acres / sf | 6.43 | 280,091 | | Environmental remediation cost, per site sf | | | \$10.33 |
| Garwood Way extension, sf | | 42,100 | | On-site utilities and landscaping, per site sf | | | \$25.18 |
| Office rentable area, sf | | 149,380 | | Construction hard costs, per sf - resid/office/retail | \$250 | \$240 | \$240 |
| Retail gross leasable area, sf | | 14,550 | | Road construction - Garwood Ave, per sf of road | | | \$64 |
| Dwelling units (du) | | 137 | | Off site utility construction cost | | | \$750,000 |
| Jr 1 bedroom - number / average size | 17 | 535 | | Appliance costs, per du | | | \$4,000 |
| 1 bedroom - number / average size | 52 | 713 | | Impact fees (b) | | | \$3,846,453 |
| 2 bedroom - number / average size | 55 | 1,096 | | Tenant improvements, per sf of office / retail | | \$60 | \$50 |
| 3 Bedroom - number / average size | 5 | 1,549 | | Soft costs, % of hard costs | | | 20% |
| BMR Jr 1 bedroom - number / average size | 1 | 535 | | Parking construction cost, per space: | | | |
| BMR 1 bedroom - number / average size | 3 | 713 | | Surface parking cost, per space | | | N/A (c) |
| BMR 2 bedroom - number / average size | 4 | 1,096 | | Above-grade garage spaces | | | \$21,000 |
| Parking: | | | | Podium parking spaces | | | \$31,000 |
| Surface parking spaces | | 25 | | Underground parking spaces | | | \$42,500 |
| Above-grade garage spaces | | 586 | | Developer fee % of total project costs | | | 0% |
| Podium parking spaces | | 170 | | | | | |
| Underground parking spaces | | | | | | | |
| Total parking spaces | | 781 | | Revenues and Operating Expenses | | | |
| Common area sf - residential / office / retail (a) | 17,746 | 4,620 | 450 | Office rental rate, sf/yr, NNN | | | \$66.00 |
| Total sf - residential / office / retail | 139,000 | 154,000 | 15,000 | Retail rental rate, sf/yr, NNN | | | \$36.00 |
| Dwelling units/acre | | 21 | | Residential rental rate per du/mo: | | | |
| | | | | Jr 1 bedroom | | | \$3,300 |
| | | | | 1 bedroom | | | \$3,600 |
| | | | | 2 bedroom | | | \$4,300 |
| | | | | 3 Bedroom | | | \$6,200 |
| | | | | BMR Jr 1 bedroom | | | \$1,643 |
| | | | | BMR 1 bedroom | | | \$1,878 |
| | | | | BMR 2 bedroom | | | \$2,113 |
| | | | | Annual op. cost - per du / per office sf / per retail sf | \$11,000 | \$1.80 | \$1.80 |
| | | | | Vacancy rate - residential / office / retail | 5% | 5% | 5% |
| Notes | | | | Financing | | | |
| (a) Common area % resid'l / office / retail: | 12.8% | 3% | 3% | Construction loan to cost ratio | | | 70% |
| (b) Includes the following impact fees City impact fee schedule: Storm | | | | Loan fees (points) | | | 2% |
| Drainage Connection Fee, Building Construction Road Impact Fee, Water | | | | Interest rate | | | 5.5% |
| Capital Facilities Charge, Traffic Impact Fee, ECR/Downtown Specific | | | | Construction period (months) | | | 14 |
| Plan Preparation Fee, Supplemental Transportation Impact Fee, Sequoia | | | | Drawdown factor | | | 60% |
| Union High School District Impact Fees, Menlo Park City Elementary School | | | | Total hard + soft construction costs | | | \$144,665,253 |
| District Impact Fee. Fee calculation per report. Excludes sewer | | | | Total loan amount | | | \$101,265,677 |
| connection fee, pending flow calculations. Supplemental Transportation | | | | Capitalization Rate - Residential / Office / Retail | 4.25% | 5.75% | 6.00% |
| Impact Fee estimated pending calculations from City. | | | | | | | |
| (c) Cost of surface parking is included in site development costs. | | | | | | | |
| (d) Estimate by BAE based on review of recorded sales data for parcels | | | | | | | |
| comprising the project site. | | | | | | | |
| (e) Consists of property tax payments on half of the property between | | | | | | | |
| March 2012 and June 2015 and property tax on the remaining half of the | | | | | | | |
| property between Dec. 2012 and August 2015 at \$21,800 per month. | | | | | | | |
| (f) Adjusted to include 5% developer fee separate from investor return, | | | | | | | |
| even though unlike most developers, applicant does not collect this. | | | | | | | |

Source: BAE, 2015.

Pro Forma for Mixed-Use Development with Base Case per Specific Plan

Proposed Project at 1300 El Camino Real, Menlo Park CA

ADMIN DRAFT

| Development Costs | | Value Analysis | |
|--|----------------------|---|---------------------|
| Development Costs (Excludes Land) | | Projected Income | |
| Demolition costs | \$750,000 | Residential | |
| Environmental remediation cost | \$3,200,000 | Gross scheduled rents | \$6,318,348 |
| On-site utilities and landscaping | \$7,800,000 | Less vacancy | (\$315,917) |
| Residential construction costs | \$35,298,000 | Gross annual rents | \$6,002,431 |
| Office construction costs | \$36,960,000 | Less operating expenses | (\$1,507,000) |
| Retail construction costs | \$3,600,000 | Net operating income (NOI) | \$4,495,431 |
| Garwood Ave construction costs | \$2,685,000 | | |
| Off site utility construction cost | \$750,000 | Office | |
| Tenant improvements | \$8,730,000 | Gross scheduled rents | \$9,859,080 |
| Parking costs | \$17,576,000 | Less vacancy | (\$492,954) |
| Soft costs | \$23,469,800 | Gross annual rents | \$9,366,126 |
| Impact fees | <u>\$3,846,453</u> | Less operating expenses | (\$277,200) |
| Total construction costs | \$144,665,253 | Net operating income (NOI) | \$9,088,926 |
| Total cost, per rentable sf | \$470 | | |
| | | Retail | |
| Interest on construction loan | \$3,898,729 | Gross scheduled rents | \$523,800 |
| Points on construction loan | <u>\$2,025,314</u> | Less vacancy | (\$26,190) |
| Total financing costs | \$5,924,042 | Gross annual rents | \$497,610 |
| | | Less operating expenses | (\$27,000) |
| | | Net operating income (NOI) | \$470,610 |
| Total development costs | \$150,589,295 | | |
| | | Total net operating income | \$14,054,967 |
| | | Development Feasibility | |
| | | Capitalized value | \$271,686,616 |
| | | Less development costs | (\$150,589,295) |
| | | Less land cost - estimate (d) | (\$47,637,500) |
| | | Less Property taxes during holding period (e) | (\$1,591,400) |
| | | Project profit | \$71,868,421 |
| | | Adjusted return as % of hard cost (f) | 43% |

Pro Forma for Mixed-Use Development with Public Benefit Bonus per Specific Plan

Proposed Project at 1300 El Camino Real, Menlo Park CA

ADMIN DRAFT

| Development Program Assumptions | | | | Cost and Income Assumptions | | | |
|--|---------|---------|--------|--|----------|--------|---------------|
| Characteristics of Project | | | | Development Costs | | | |
| Site - gross acres / square feet (sf) | 7.11 | 309,712 | | Demolition costs, per site sf | | | \$2.42 |
| Site area net of Garwood Ave - acres / sf | 6.43 | 280,091 | | Environmental remediation cost, per site sf | | | \$10.33 |
| Garwood Way extension, sf | | 42,100 | | On-site utilities and landscaping, per site sf | | | \$25.18 |
| Office rentable area, sf | | 188,277 | | Construction hard costs, per sf - resid/office/retail | \$250 | \$240 | \$240 |
| Retail gross leasable area, sf | | 23,086 | | Road construction - Garwood Ave, per sf of road | | | \$64 |
| Dwelling units (du) | | 182 | | Off site utility construction cost | | | \$750,000 |
| Jr 1 bedroom - number / average size | 22 | 535 | | Appliance costs, per du | | | \$4,000 |
| 1 bedroom - number / average size | 68 | 713 | | Impact fees (c) | | | \$5,272,860 |
| 2 bedroom - number / average size | 75 | 1,096 | | Tenant improvements, per sf of office / retail | | \$60 | \$50 |
| 3 Bedroom - number / average size | 7 | 1,549 | | Soft costs, % of hard costs | | | 20% |
| BMR Jr 1 bedroom - number / average size | 1 | 535 | | Parking construction cost, per space: | | | |
| BMR 1 bedroom - number / average size | 4 | 713 | | Surface parking cost, per space | | | N/A (d) |
| BMR 2 bedroom - number / average size | 5 | 1,096 | | Above-grade garage spaces | | | \$21,000 |
| Parking: | | | | Podium parking spaces | | | \$31,000 |
| Surface parking spaces | | 50 | | Underground parking spaces | | | \$42,500 |
| Above-grade garage spaces | | - | | Developer fee % of total project costs | | | 0% |
| Podium parking spaces | | - | | | | | |
| Underground parking spaces | | 1,036 | | Revenues and Operating Expenses | | | |
| Total parking spaces | | 1,086 | | Office rental rate, sf/yr, NNN | | | \$66.00 |
| Common area sf - residential / office / retail (a) | 39,936 | 5,823 | 714 | Retail rental rate, sf/yr, NNN | | | \$36.00 |
| Total sf - residential / office / retail (b) | 202,100 | 194,100 | 23,800 | Residential rental rate per du/mo: | | | |
| Dwelling units/acre | | 28 | | Jr 1 bedroom | | | \$3,300 |
| | | | | 1 bedroom | | | \$3,600 |
| | | | | 2 bedroom | | | \$4,300 |
| | | | | 3 Bedroom | | | \$6,200 |
| | | | | BMR Jr 1 bedroom | | | \$1,643 |
| | | | | BMR 1 bedroom | | | \$1,878 |
| | | | | BMR 2 bedroom | | | \$2,113 |
| | | | | Annual op. cost - per du / per office sf / per retail sf | \$11,000 | \$1.80 | \$1.80 |
| | | | | Vacancy rate - residential / office / retail | 5% | 5% | 5% |
| Notes | | | | Financing | | | |
| (a) Common area % resid'l / office / retail: | 19.8% | 3% | 3% | Construction loan to cost ratio | | | 70% |
| (b) Retail sf based on 7,900 sf of community serving uses in the residential building and 10,700 - 21,100 sf of retail space in the office building. The analysis uses the midpoint of the range of potential retail sf in the office space. | | | | Loan fees (points) | | | 2% |
| (b) Includes the following impact fees City impact fee schedule: Storm Drainage Connection Fee, Building Construction Road Impact Fee, Water Capital Facilities Charge, Traffic Impact Fee, ECR/Downtown Specific Plan Preparation Fee, Supplemental Transportation Impact Fee, Sequoia Union High School District Impact Fees, Menlo Park City Elementary School District Impact Fee. Fee calculation per report. Excludes sewer connection fee, pending flow calculations. Supplemental Transportation Impact Fee per estimates from City. | | | | Interest rate | | | 5.5% |
| (d) Cost of surface parking is included in site development costs. | | | | Construction period (months) | | | 21 |
| (e) Estimate by BAE based on review of recorded sales data for parcels comprising the project site. | | | | Drawdown factor | | | 60% |
| (f) Consists of property tax payments on half of the property between March 2012 and June 2015 and property tax on the remaining half of the property between Dec. 2012 and August 2015 at \$21,800 per month. | | | | Total hard + soft construction costs | | | \$214,078,341 |
| (g) Adjusted to include 5% developer fee separate from investor return, even though unlike most developers, applicant does not collect this. | | | | Total loan amount | | | \$149,854,839 |
| | | | | Capitalization Rate - Residential / Office / Retail | 4.25% | 5.75% | 6.00% |

Source: BAE, 2015.

Pro Forma for Mixed-Use Development with Public Benefit Bonus per Specific Plan

Proposed Project at 1300 El Camino Real, Menlo Park CA

ADMIN DRAFT

| Development Costs | | Value Analysis | |
|--|----------------------|---|---------------------|
| Development Costs (Excludes Land) | | Projected Income | |
| Demolition costs | \$750,000 | Residential | |
| Environmental remediation cost | \$3,200,000 | Gross scheduled rents | \$8,436,240 |
| On-site utilities and landscaping | \$7,800,000 | Less vacancy | (\$421,812) |
| Residential construction costs | \$51,253,000 | Gross annual rents | \$8,014,428 |
| Office construction costs | \$46,584,000 | Less operating expenses | (\$2,002,000) |
| Retail construction costs | \$5,712,000 | Net operating income (NOI) | \$6,012,428 |
| Garwood Ave construction costs | \$2,685,000 | | |
| Off site utility construction cost | \$750,000 | Office | |
| Tenant improvements | \$11,240,568 | Gross scheduled rents | \$12,426,282 |
| Parking costs | \$44,030,000 | Less vacancy | (\$621,314) |
| Soft costs | \$34,800,914 | Gross annual rents | \$11,804,968 |
| Impact fees | \$5,272,860 | Less operating expenses | (\$349,380) |
| Total construction costs | \$214,078,341 | Net operating income (NOI) | \$11,455,588 |
| Total cost, per rentable sf | \$510 | | |
| | | Retail | |
| Interest on construction loan | \$8,654,117 | Gross scheduled rents | \$831,096 |
| Points on construction loan | \$2,997,097 | Less vacancy | (\$41,555) |
| Total financing costs | \$11,651,214 | Gross annual rents | \$789,541 |
| | | Less operating expenses | (\$42,840) |
| | | Net operating income (NOI) | \$746,701 |
| Total development costs | \$225,729,555 | Total net operating income | \$18,214,717 |
| | | Development Feasibility | |
| | | Capitalized value | \$353,141,530 |
| | | Less development costs | (\$225,729,555) |
| | | Less land cost - estimate (e) | (\$47,637,500) |
| | | Less Property taxes during holding period (f) | (\$1,591,400) |
| | | Project profit | \$78,183,075 |
| | | Adjusted return as % of hard cost (g) | 30% |

bae urban economics

Memorandum

To: Thomas Rogers, City of Menlo Park

From: Stephanie Hagar, BAE

Date: March 14, 2016

Re: Evaluation of proposed public benefit for 1300 El Camino Real (Station 1300) project

This memorandum presents an evaluation of the proposed public benefit contribution for Station 1300, a development project at 1300 El Camino Real in Menlo Park. The site is in a location eligible for a public benefit bonus pursuant to the Specific Plan, which establishes the formula for the additional built area that is allowed in return for public benefits acceptable to the City. This memorandum builds on BAE's separate analysis modeling the increase in value of the project due to the increase in density from the public benefit bonus.

The public benefit bonus program outlined in the Specific Plan anticipates that public benefits provided pursuant to the program can take the form of on-site improvements, offsite improvements, monetary payment to the City for future use toward public improvements, or a mixture. The developer is proposing to provide a monetary contribution to the City.

Development Proposal

The potential project with the public benefit bonus allowed by the Specific Plan ("bonus project") would place all parking in a two-level underground parking garage beneath the development. The site would then accommodate two three-story office buildings with approximately 218,000 gross square feet; and 182 rental residential units in a four-story building. Ground floor community serving uses would comprise approximately 7,900 square feet in the residential building and 10,700 to 21,100 square feet in the office building. The bonus project is the developer's preferred scenario, and has been the subject of more design work. The developer's proposed public development contribution is a one-time \$2.1 million monetary payment to the City.

The potential alternate base-level project as conceived to date by the developer ("base project") would consist of a two-story office building of approximately 150,000 gross square feet with a parking structure behind it; and 137 rental residential units in a 3-story building above a podium structure that would contain parking. Approximately 15,000 square feet of retail would be provided between both buildings. The base project is not the developer's

San Francisco

1285 66th St.
Emeryville, CA 94608
510.547.9380

Sacramento

803 2nd St., Suite A
Davis, CA 95616
530.750.2195

Los Angeles

706 South Hill St., Suite 1200
Los Angeles, CA 90014
213.471.2666

Washington DC

1400 I St. NW, Suite 350
Washington, DC 20005
202.588.8945

New York City

49 West 27th St., Suite 10W
New York, NY 10001
212.683.4486

preferred option, and has not been designed in detail, other than what is needed to conduct this analysis.

Summary of Pro Forma Findings

BAE conducted a pro forma analysis to estimate the profit from the two alternative development programs, using information provided by the developer as well as BAE's independent research and evaluation of development costs and market conditions. The full pro forma analysis, methodology, and assumptions are detailed in a separate memorandum. Key findings include:

- The bonus project would result in approximately \$78.2 million of profit to the developer (with development cost of \$275 million including land with carrying costs), compared to approximately \$71.9 million of profit for the base project (with development cost of \$200 million including land with carrying costs). This means that the bonus project realizes \$6.3 million in additional profits compared to the base project.
- Based on the pro forma assumptions, both projects are feasible, with the base project achieving a strong adjusted 43 percent return on total costs (a standard metric for return used by developers), and the bonus project achieving strong adjusted 30 percent return on costs).

Evaluation of Proposed Public Benefit Contribution

Jurisdictions use a variety of metrics to establish the desired value of the public benefit contributions that developers provide in exchange for additional density. Many of these metrics base the value of the contribution on the difference in value between a project developed at the base level density and a project developed at the community benefit level density, either on a project-by-project basis according the specifics of individual projects, or on a more generalized basis using an analysis of project prototypes. The value of the community development contribution is typically expected to total some share of that difference. Possible methods for determining the value of the contribution based on this type of analysis include:

- **Negotiation:** On a project-by project basis, the City negotiates with the developer to determine the benefit contribution. This is the method that the City of Menlo Park currently uses to assess developer contributions for projects seeking the public benefit density in the Specific Plan area. The City has also undertaken this type of negotiation for projects in other areas, when a Development Agreement is proposed.
- **Flat dollar charge per square foot:** Developers are assessed a flat fee (e.g., \$20) per square foot of development in excess of the base level density. The fee rate is determined based on analysis of prototype projects and the same fee rate applies to all projects.

- Charge based on percent of value: Developers are assessed a fee based on a percent of the difference in value between the base level density and the community benefit level density, as assessed on a project-by-project basis.

A fourth potential metric to determine the desired value of a public benefit contribution could be based on the value of land, expressed as the land cost per square foot of building area (i.e., the cost per FAR-foot) under the base level density. For example, a 10,000 square foot site with a base level FAR of 1.1 allows for a total of 11,000 square feet of built area at the base level. If the land cost is \$1.65 million, the cost per FAR-foot would be \$150 (\$1.65 million/11,000 of buildable area). Using this method, the value of the public benefit contribution would total a portion of the FAR-foot land cost for square footage that exceeds the base level density. For example, if the FAR-foot value is \$150, the value of the public benefit contribution to the City might be \$75 per square foot of development that exceeds the base level density.

During the public benefit bonus review for some initial project proposals, there were individual Planning Commissioner suggestions that Menlo Park consider the FAR-foot value of new development when evaluating community benefits contributions provided under the Specific Plan. Under such a proposal, the Planning Commission could use the methodology described above as one metric to assess the appropriateness of proposed public benefits contributions. It can be noted that this type of analysis may not accurately account for non-linear costs, such as a taller development needing a different construction type, or a larger project featuring more expensive underground parking instead of cheaper above-ground parking. These issues in valuation, however, can be addressed through an appraisal process that utilizes comparable land sales for projects with similar characteristics.

Although no jurisdictions in California have implemented a FAR-foot method for evaluating public benefit contributions, this method has been adopted and considered by jurisdictions elsewhere. For example, the City of Chicago allows additional square footage in some zoning districts in exchange for either on-site affordable units or by making a monetary contribution to the City's Affordable Housing Opportunity Fund. The amount of the financial contribution is equal to the bonus floor area multiplied by 80 percent of the median land price per base FAR-foot in the submarket where the proposed development is located. A January 2014 report for the City of Toronto recommended that the City value community benefits contributions based on a percent of the appraised land value per square meter of buildable floor area, but the City has not yet adopted this method.

Station 1300 Proposed Public Benefit Contribution

The developer's proposed public benefits contribution for Station 1300 is a \$2.1 million monetary payment to the City. In addition, the developer has cited several non-monetary benefits of the project, but is not asking that the City consider these benefits as part of the developer's public benefit contribution. These additional benefits as identified by the

developer include an extension of Garwood Way through the project site, an improved streetscape along El Camino Real, 10 below-market-rate residential units, and three plazas and a park that would be open to the public.

Comparison to Sample Jurisdictions

Table 1 below shows the developer's proposed monetary contribution for Station 1300, expressed in terms of each of the four methods outlined above for determining the desired value of public benefit contributions. The table also shows a comparison to rates established in a sample of other California jurisdictions.

This analysis shows that the proposed contribution is generally consistent with fee rates that are charged on a per-square foot basis, but lower than the rates established based on a percent of the increase in value. The developer's contribution totals \$19 per square foot for the square footage that exceeds the base level density. This is slightly lower than the charge per square foot in Mountain View and the charge per square foot for commercial development in the San Francisco Eastern Neighborhoods Plan Area, but slightly higher than the charge per square foot in San Diego and the charge per square foot of residential uses in the San Francisco Eastern Neighborhoods Plan Area. The developer's contribution totals 33 percent of the increase in project value attributable to the public benefit bonus, lower than the rate charged in Culver City and lower than the proposed rate for San Francisco's Central SOMA Plan.

Table 1: Comparison of Proposed Benefit to Rates Charged in a Sample of California Cities with Public or Community Benefits Programs

| Method for Determining Benefit Value | Value of Proposed Benefit for Station 1300 (a) | Comparison Jurisdictions | Comparison Jurisdiction Rate |
|--------------------------------------|--|---|--|
| Negotiation | N/A | Menlo Park (El Camino Real / Downtown Specific Plan) | N/A |
| | | Palo Alto | |
| | | Berkeley (Downtown Specific Plan) (b) | |
| | | Santa Monica | |
| Flat fee per sq. ft. of increment | \$19 | Mountain View (El Camino Real Precise Plan, San Antonio Precise Plan) | \$20 |
| | | San Diego (select areas in Downtown) (c) | \$17 |
| | | San Francisco (Eastern Neighborhoods) (d) | Residential: \$12 - \$16 Commercial: \$20 - \$24 Additional inclusionary requirements also apply |
| Percent of Value of Increment | 33% | Culver City | 50% |
| | | San Francisco (Central SOMA Plan) (e) | 66%-75% (proposed) |
| | | Cupertino Investigated; has not been adopted | N/A |
| Percent of Land Value per FAR-foot | 12% | N/A | N/A |

Notes:

(a) Calculations for Station 1300 are based on the assumptions and site characteristics shown in Table 3.

(b) Berkeley is considering a proposal to allow developers to choose to either include benefits related to affordable housing, labor, and other benefits from a menu of options or to pay a flat fee. The flat fee rate has not been determined.

(c) Rate shown is an estimate; fee was set at \$15 per square foot in 2007 and inflated annually based on CPI. Developers can also provide benefits directly in exchange for increase in FAR.

(d) San Francisco uses a tiered approach, with lower fees for a 1- to 2-story increase in height and higher fees for a 3-story increase in height.

(e) Basis for valuing Community Benefits contributions for the Central SOMA Plan is still under consideration. A recent presentation by the City's Planning Department used the rates shown in the table as a target (see http://www.sf-planning.org/ftp/files/Citywide/Central_Corridor/20150625_Central_SoMa_Presentation_Final.pdf)

Comparison to Sample Projects with Negotiated Public Benefits

Table 2 shows the proposed public benefit for Station 1300 compared to the monetary contribution proposed for two other projects with negotiated public benefits, based on the three quantified methods described above (i.e., per square foot charge, percent of value increment, and FAR-foot methods). The first comparison project is 1020 Alma Street in the Specific Plan Area, which was recently approved by the Menlo Park Planning Commission. The public benefits contribution from this project consisted of a one-time payment of \$185,816 and public plaza spaces, one of which will include a coffee kiosk. The second comparison project is currently under review in Berkeley at 2211 Harold Way. While Berkeley currently negotiates community benefits in the Downtown Specific Plan Area, the Berkeley City Council is evaluating more formulaic approaches to assessing community benefits contributions. For projects currently in the pipeline, including the project at Harold Way, the City Council has

proposed a fee rate of \$100 per square foot for square footage between 75 and 120 feet in height and \$150 per square foot for square footage that exceeds 120 feet in height.

The proposed contribution for Station 1300 is generally consistent with the contribution provided by the developer of the project at 1020 Alma Street in Menlo Park. While the proposed contribution for Station 1300 is lower than the contribution for 1020 Alma on a per-square foot basis, the proposed contribution is similar if calculated based a percent of the FAR-foot value and higher if calculated based on a percent of the increase in value from the public benefit bonus. The proposed public benefit contribution for Station 1300 would be lower than the contribution for 1020 Alma after accounting for the non-monetary public benefit contributions from the 1020 Alma project. However, Station 1300 will provide similar public benefits in the form of plazas and a park that will be accessible to the public.

On a per-square foot basis, the proposed contribution for Station 1300 is considerably lower than the proposed per-square foot charge for 2211 Harold Way in Berkeley. In considering the proposed fee rates for the project on Harold Way, the City Council noted that these rates may be higher than in any other city in California. In addition, the fee for the project at Harold Way would permit the construction of 45 additional feet in height, which could be considered a fundamentally different project concession than the Specific Plan's FAR increase.

Table 2: Monetary Public Benefit Contributions from Projects with Negotiated Public Benefits

| Method for Determining Benefit Value | Value of Proposed Benefit for Station 1300 | 1020 Alma St, Menlo Park | 2211 Harold Way, Berkeley |
|--------------------------------------|--|--|---|
| Monetary Public Benefit Contribution | \$2,100,000 | \$185,816 | Unknown |
| \$ per sq. ft. of increment | \$19 | \$32 | \$100 from 75' to 120' in building height; \$150 above 120'. |
| Percent of Value of Increment | 33% | 18% | Unknown |
| Percent of Land Value per FAR-foot | 12% | 12% | Not applicable; site does not have a maximum FAR. |
| Comments | Calculations are based on the assumptions and site characteristics shown in Table 3. The developer has noted that the project will include additional non-monetary public benefits, but is not asking that these be considered as part of the public benefit contribution. | In addition to the monetary contribution shown in this table, the public benefit contribution for the project at 1020 Alma Street includes public plaza space and a coffee kiosk. Land value estimated based on the net present value of the ground lease. | Fee rate shown is still under consideration. Project will provide additional non-monetary community benefits. |

Key Assumptions

Key assumptions and project and site characteristics incorporated into the preceding analysis are as shown in the following table.

Table 3: Station 1300 Project Characteristics

| Selected Project Characteristics | Station 1300 |
|---|---------------------|
| Base level FAR | 1.1 |
| Site size (sq. ft.) | 280,091 |
| Allowable square footage at base FAR | 308,100 |
| Bonus level project size (sq. ft.) | 420,000 |
| Square footage above base level FAR | 111,900 |
| Land Cost | \$47,637,500 |
| Land Value per FAR-foot (at base level FAR) | \$155 |
| Additional value from Public Benefit Bonus | \$6,314,654 |
| Proposed monetary Public Benefit contribution | \$2,100,000 |

Note:

Site square footage for Station 1300 excludes the land used to extend Garwood Way. Land cost estimated based on BAE review of public records.



STAFF REPORT

Planning Commission

Meeting Date:

3/21/2016

Staff Report Number:

16-022-PC

Public Hearing and

Study Session:

**Draft Infill Environmental Impact Report (EIR)
Public Hearing and Study Session/Greenheart
Land Company/Station 1300 Project (1258-1300 El
Camino Real, 550-580 Oak Grove Avenue, and 540-
570 Derry Lane)**

Recommendation

Staff recommends that the Planning Commission take the following actions for the Station 1300 project (also known as the 1300 El Camino Real proposal):

- Conduct a Public Hearing to receive public testimony on the Draft Infill Environmental Impact Report (EIR); and
- Conduct a Study Session to provide feedback on the overall project, including the proposed Public Benefit.

The March 21 meeting will not include any project approval actions. The proposal will be subject to additional review at future City Council and Commission meetings. Staff recommends the following meeting procedure to effectively and efficiently move through the two items, allowing the public and the Planning Commission to focus comments on the specific project components.

Draft Infill EIR Public Hearing

- Introduction by Staff
- Presentation by Consultant
- Public Comments on Draft Infill EIR
- Commissioner Questions on Draft Infill EIR
- Commissioner Comments on Draft Infill EIR
- Close of Public Hearing

Project Proposal Study Session

- Introduction by Staff
- Presentation by Applicant
- Public Comments on Project
- Commissioner Questions on Project
- Commissioner Comments on Project

Policy Issues

Draft EIR public hearings provide an opportunity for Planning Commissioners and the public to comment on the completeness and accuracy of the Draft EIR document. Study sessions provide an opportunity for Planning Commissioners and the public to provide feedback on the overall project, including in this case the proposed Public Benefit Bonus. Both Draft EIR public hearings and study sessions should be considered on a case-by-case basis, with comments used to inform future consideration of the project.

Background

Site location

The project site consists of 15 legal parcels (11 assessor's parcels) addressed 1258-1300 El Camino Real, 550-580 Oak Grove Avenue, and 540-570 Derry Lane. The project site would be approximately 6.4 acres in size, after a proposed abandonment of Derry Lane, and dedication of a planned extension of Garwood Way (aligning with Merrill Street) and a partial widening of the Oak Grove Avenue right-of-way. The project site is within the El Camino Real/Downtown Specific Plan ("Specific Plan") area. The project site includes parcels that were previously proposed for redevelopment by O'Brien at Derry Lane, LLC and SHP Los Altos, LLC, as well as one parcel that was not previously part of either of the earlier project sites. A location map is included as Attachment A.

Project description

Greenheart Land Company ("Greenheart") is proposing to redevelop a multi-acre site on El Camino Real and Oak Grove Avenue with up to 217,000 square feet of non-residential uses and up to 202 dwelling units. The project would demolish the existing structures in the southern portion of the site and construct approximately 420,000 square feet of mixed uses. In total, the project would include three mixed-use buildings, a surface parking lot, an underground parking garage, onsite linkages, and landscaping. The uses at the project site would include approximately 188,900 to 199,300 square feet of non-medical office space in two buildings, approximately 202,100 square feet of residential space (up to 202 housing units) in one building, and up to 29,000 square feet of community-serving space throughout the proposed office and residential buildings. The project would provide approximately 1,000 parking spaces within a parking garage and a surface parking lot. Project plans are included as Attachment B.

The proposal requires approval of Architectural Control for the new buildings, including a Public Benefit Bonus to exceed the Base-level Floor Area Ratio and dwelling unit/acre thresholds. Because the project includes abandonment of a public right-of-way, the City Council will be the final decision-making body on the project, with the Planning Commission providing recommendations. Prior to City Council action, the Environmental Quality Commission will also review and provide a recommendation on proposed Heritage Tree Removal permits, and Transportation Commission review and recommendation could be required for on-street parking changes. The Housing Commission has already reviewed and recommended approval of the applicant's Below Market Rate (BMR) Housing proposal, which consists of providing on-site units in lieu of paying affordable housing linkage fees otherwise imposed on new commercial developments over 10,000 sq. ft. The proposal is consistent with the requirements for commercial development found in Section 3.1 of the Below Market Rate Housing Program Guidelines.

CEQA review

The Specific Plan process included detailed review of projected environmental impacts through a program Environmental Impact Report (EIR), as required by the California Environmental Quality Act (CEQA). In compliance with CEQA requirements, the Draft EIR was released in April 2011, with a public comment period that closed in June 2011. The Final EIR, incorporating responses to Draft EIR comments, as well as text changes to parts of the Draft EIR itself, was released in April 2012, and certified along with the final Plan approvals in June 2012.

As specified in the Specific Plan EIR and the CEQA Guidelines, program EIRs provide the initial framework for review of discrete projects. Most project proposals under the Specific Plan are anticipated to be fully addressed as part of the Specific Plan EIR. However, for the proposed project, staff and an independent CEQA consulting firm (ICF International, with support from W-Trans, a transportation analysis sub-consultant) determined that a project-level EIR was required to examine specific impacts not addressed in the Specific Plan EIR. The specific type of project-level EIR required for the project is defined by Senate Bill (SB) 226 as an "Infill EIR," as the project meets relevant criteria defined by that legislation, as discussed in the Draft Infill EIR. Since this determination, the project's CEQA review has proceeded as follows:

| Date | Milestone | Hearing Body |
|---------------------|--|----------------------------|
| 6/17/14 | EIR Process Information Item | City Council |
| 7/13/14 | Notice of Preparation (NOP) Issuance | n/a |
| 8/4/14 | EIR Scoping Session (held in conjunction with general project Study Session) | Planning Commission |
| 8/13/14 | NOP Comment Deadline | n/a |
| 9/9/14 | Environmental Impact Report (EIR) Contract Approval | City Council |
| 2/24/15 | EIR Status Update | City Council |
| 3/17/16 | Notice of Availability of Draft EIR | n/a |
| 3/18/16 | Draft Infill EIR Review Period Start | n/a |
| <u>3/21/16</u> | <u>Draft Infill EIR Public Hearing</u> | <u>Planning Commission</u> |
| 4/4/16 5:30 p.m. | Draft Infill EIR Review Period End | n/a |

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

Analysis

Draft Infill EIR

The Draft Infill EIR analyzes the following four topic areas:

- Air Quality (construction)
- Hazards and Hazardous Materials
- Noise (traffic noise)

- Transportation/Traffic

Other environmental analysis areas were found to have been adequately addressed in the Specific Plan EIR. The Infill Environmental Checklist is included as an appendix to the Draft Infill EIR, and it explains in detail how the project is consistent with the Specific Plan EIR and creates no new significant impacts for the topic categories not analyzed in the Draft Infill EIR (e.g., Biological Resources, Hydrology/Water Quality).

Impact Analysis

For each of the analyzed topic areas, the Draft Infill EIR describes the existing conditions (including regulatory and environmental settings), and analyzes the potential environmental impacts (noting the thresholds of significance and applicable methods of analysis). Impacts are considered both for the project individually, as well as for the project in combination with other projects and cumulative growth. The Draft Infill EIR identifies and classifies the potential environmental impacts as:

- Potentially Significant
- Less than Significant
- No Impact

Where a potentially significant impact is identified, mitigation measures are considered to reduce, eliminate, or avoid the adverse effects. If a mitigation measure cannot eliminate/avoid an impact, or reduce the impact below the threshold of significance, it is considered a significant and unavoidable impact.

The Draft Infill EIR determined that impacts would be less than significant, or less than significant with mitigation, for the following categories:

- Air Quality (construction)
- Hazards and Hazardous Materials
- Noise (traffic noise)

For Traffic/Transportation, the Draft Infill EIR determined that impacts on pedestrian and bicycle facilities, transit facilities, and railroad crossings would be less than significant, or less than significant with mitigation. However, the following transportation/traffic impacts have been determined to be potentially significant. Mitigations have been specified for most intersections/segments/routes, but except as noted by "LTS/M" (less than significant with mitigation), the impacts below are considered significant and unavoidable due to factors such as the need to acquire additional rights-of-way, violation of existing policies, or a location outside of the City's jurisdiction.

- Impacts on Intersections
 - Near-Term 2020 plus-Project Conditions (TRA-1)
 - #3. Middlefield Road/Glenwood Avenue-Linden Avenue
 - #11. Ravenswood Avenue/Laurel Street [LTS/M]

- #13. Oak Grove Avenue/Alma Street
- #15. Oak Grove Avenue/Derry Lane (Garwood Way)-Merrill Street
- #20. El Camino Real/Ravenswood Avenue-Menlo Avenue
- Cumulative 2040 plus-Project Conditions (C-TRA-4)
 - #2. Middlefield Road/Encinal Avenue
 - #3. Middlefield Road/Glenwood Avenue-Linden Avenue
 - #5. Middlefield Road/Ravenswood Avenue
 - #7. Middlefield Road/Willow Road
 - #9. Laurel Street/Glenwood Avenue
 - #11. Ravenswood Avenue/Laurel Street
 - #13. Oak Grove Avenue/Alma Street
 - #15. Oak Grove Avenue/Derry Lane (Garwood Way)-Merrill Street
 - #17. El Camino Real/Glenwood Avenue-Valparaiso Avenue
 - #18. El Camino Real/Oak Grove Avenue
 - #20. El Camino Real/Ravenswood Avenue-Menlo Avenue
 - #25. Oak Grove Avenue/University Drive [LTS/M]
 - #26. Santa Cruz Avenue/University Drive (N) [LTS/M]
- Impacts on Roadway Segments
 - Near-Term 2020 plus-Project Conditions (TRA-2)
 - #5. Ravenswood Avenue between Laurel Street and Middlefield Road
 - #10. Oak Grove Avenue west of Laurel Street
 - #11. Oak Grove Avenue east of Laurel Street
 - #13. Garwood Way south of Glenwood Avenue
 - Cumulative 2040 plus-Project Conditions (C-TRA-5)
 - #5. Ravenswood Avenue between Laurel Street and Middlefield Road
 - #10. Oak Grove Avenue between El Camino Real and Laurel Street
 - #11. Oak Grove Avenue between Laurel Street and Middlefield Road
 - #13. Garwood Way between Glenwood Avenue and Oak Grove Avenue
- Impacts on Routes of Regional Significance
 - Near-Term 2020 plus-Project Conditions (TRA-3)
 - Willow Road – US 101 to Bayfront Expressway (northbound)
 - Willow Road – Bayfront Expressway (southbound)
 - Bayfront Expressway – University Avenue to Willow Road (westbound)
 - Bayfront Expressway – Willow Road to University Avenue (eastbound)
 - Cumulative 2040 plus-Project Conditions (TRA-6)
 - Willow Road – US 101 to Bayfront Expressway (northbound)
 - Willow Road – Bayfront Expressway (southbound)
 - Bayfront Expressway – University Avenue to Willow Road (westbound)
 - Bayfront Expressway – Willow Road to University Avenue (eastbound)

Partial mitigations are included for the construction of bicycle improvements (Class II bicycle lanes on portions of Oak Grove Avenue and Class III bicycle route on Garwood Way) and implementation of a Transportation Demand Management (TDM) plan, and these would be project requirements. However, these mitigations are not projected to fully mitigate any impacts.

Alternatives

Under SB 226, Draft Infill EIRs are not required to include an analysis of alternatives. However, this Draft Infill EIR includes an alternatives analysis, in order to allow for a fuller discussion of potential Base level projects, in the event that the project's Public Benefit Bonus is not approved. The analysis includes the following alternatives:

- No Project Alternative: As specified by CEQA, this alternative considers re-use of the existing buildings on the site, but no new construction or other site improvements;
- Base Level Maximum Office Alternative: This alternative considers a similar mixed-use project at a Base-level density/intensity, including the maximum amount of non-medical office uses, as well as some community-serving uses; and
- Base Level Maximum Residential Alternative: This alternative considers a similar mixed-use project at a Base-level density/intensity, with a reduced amount of non-medical office uses, as well as some community-serving uses.

The Draft Infill EIR notes that neither of the reduced-intensity projects would eliminate impacts, although the severity of some impacts would be reduced. The Base Level Maximum Residential Alternative is designated as the environmentally superior alternative, as that term is defined by CEQA.

Correspondence

Two items of correspondence have been submitted regarding the Draft Infill EIR, and they are included as Attachment C.

Study Session

The March 21 Planning Commission meeting will also serve as a study session to review the project proposal. This is an opportunity for the Planning Commission and the public to become more familiar with the project, and to ask questions and provide individual feedback on project aspects such as the building design or site layout. In particular, the Planning Commission should consider the project's proposed Public Benefit, as discussed in more detail below.

Neighborhood context

Neighboring land uses include a hotel to the north; single- and multi-family residential units east of the Caltrain right-of-way; the Menlo Park Caltrain Station and mixed-use development (including residential units) south of Oak Grove Avenue; and the El Camino Real commercial corridor to the west. The northeast corner of El Camino Real/Oak Grove Avenue, immediately adjacent to the project site, includes a Chevron gas station and a restaurant/cafe. Downtown Menlo Park is approximately 0.1 mile southwest of the project site. In total, the project site contains seven existing buildings, totaling approximately 25,800 square feet. In addition, the project site currently includes parking, pavement, and limited vegetative features.

The entire project site is within the Specific Plan's El Camino Real Northeast – Residential (ECR NE-R) District. The ECR NE-R District is located in the "El Camino Real Mixed Use – Residential" General Plan

land use designation, which supports a variety of retail uses, personal services, business and professional offices, and residential uses. The ECR NE-R District permits higher residential densities, in recognition of its location near the train station area and downtown.

Land uses

The project includes the following breakdown of land uses:

| Component | Square Feet | % of Overall Project |
|---|--------------------|-----------------------------|
| Apartments (up to 202) | 202,100 | 48.1% |
| Non-Medical Office | 188,900-199,300 | 44.9%-47.4% |
| El Camino Real Community-Serving Uses | 10,700-21,100 | 2.5%-5.0% |
| Oak Grove Avenue Community Service Uses | 7,900 | 1.7% |
| <u>Total</u> | <u>420,000</u> | <u>100.0%</u> |

An earlier iteration of the proposal had a smaller proposed portion of community-serving uses, but the applicant has since increased the amount of community-serving uses that would be guaranteed as part of the project, and has also provided greater definition of such uses. Specifically, the community-serving uses category would include permitted non-residential/non-office uses in the “El Camino Real Mixed Use/Residential” land use designation, for example:

- General Retail Sales
- Full/Limited Service Restaurants
- Food and Beverage Sales
- General Personal Services
- Banks and Financial Institutions
- Business Services
- Personal Improvement Services (subject to a per-business size limit)

In addition, the applicant is requesting that 2,500 square feet of this area could be used for a single real estate office, associated with the property owner. The community-serving uses would wrap around both the El Camino Real and Oak Grove Avenue frontages, helping ensure greater activity and vibrancy on the public-facing sides of the project, and a potential amenity for the general public. Since the commercial uses could vary somewhat in proportion, the Draft Infill EIR considered the most-intense scenario with regard to traffic analysis, to ensure that the analysis was conservative and accurate.

Additional community-serving uses could be considered through case-by-case Administrative Permit and Use Permit review, as specified in Specific Plan Table E1. For example, a restaurant with alcohol service and/or live entertainment would require Administrative Permit review.

The residences would consist of junior one-bedroom units through three-bedroom units, with the majority one-bedroom or two-bedroom in size. The residences would be rented.

Site Layout and Access

The project would require the demolition of the existing buildings at the project site and would entail the construction of three mixed-use buildings, a surface parking lot, underground parking garages, onsite linkages, and landscaping. As noted earlier, the plans are shown as part of Attachment B.

The primarily-office buildings would be oriented in an east-west direction and would front onto El Camino Real. Both buildings would be three stories and would not exceed 48 feet in height (38 feet at the facades facing public rights-of-way). A plaza would be situated between the two buildings with landscaping, and outdoor dining areas. Each of these buildings would feature community-serving uses in the western frontages along El Camino Real. The community-serving uses could vary in size, as noted earlier, but would always occupy the ground floor of the El Camino Real frontage.

The primarily-residential building would front along Oak Grove Avenue and Garwood Way. The building would wrap around a private center courtyard area with a pool. Community-serving uses would be located along the ground floor of the Oak Grove Avenue street frontage. The residential building would consist of four stories and would not exceed 48 feet in height (38 feet at the facades facing public rights-of-way).

A park would be located in the northeast corner of the project site adjacent to Garwood Way and the Caltrain right-of-way. The park would allow for public use and passive recreation.

The project site would be accessible to private automobiles from four driveways: one driveway from El Camino Real and three driveways from Garwood Way. The central portion of the El Camino Real frontage would also feature a driveway that could be used by emergency services.

The project would include the completion of Garwood Way from the northeast edge of the project site to Oak Grove Avenue. This would connect Glenwood Avenue to the north with Oak Grove Avenue to the south and would allow additional access to the project site. The current Garwood Way plan line runs exactly parallel to the Caltrain right-of-way, which would create an off-center alignment with Merrill Street, on the opposite side of Oak Grove Avenue. For safety reasons, the Transportation Division has requested that the extended Garwood Way curve slightly, to align with Merrill Street and to increase the distance between the intersection and the Caltrain tracks. The applicant has agreed to this safety-related adjustment, and the current project plans show this alignment. So that this safety-related change would not impact the parcel size more than the plan line would, a slight adjustment to the width of the new Garwood Way right-of-way (or another property line change) could be required. The Garwood Way extension would be constructed concurrently with the construction of the project.

Trees and Landscaping

There are currently 37 heritage trees at the project site. Over 40 percent of the heritage trees are multi-stemmed Chinese trees of heaven that spread from root sprouts, creating a tree that meets the heritage tree definition, but in general is considered to have limited landscape value. Other tree species at the project site include blackwood acacia, African fern pine, Italian cypress, jacaranda, Canary Island palm, coast live oaks, valley oaks, black locust, and coast redwoods. The project proposes to remove all of these trees. However, the conceptual landscape plan shows a minimum replacement of a two-to-one ratio. There are currently 19 street trees along the El Camino Real and Oak Grove Avenue frontages that are

projected to remain with implementation of the Project. All proposed tree removals and construction effects will be subject to detailed review as the project review proceeds, including consideration by the Environmental Quality Commission.

Public Benefit Bonus

The project would be consistent with the allowed development in the ECR NE-R District with a Public Benefit Bonus. The permitted Floor Area Ratio (FAR) is 1.10, but with a Public Benefit Bonus the FAR can increase to 1.50. In either scenario, non-medical office is limited to no more than one-half the maximum FAR. The maximum height in the ECR NE-R district is 38 feet, although 48 feet is permitted with a Public Benefit Bonus. In either scenario, building facades cannot exceed a height of 38 feet. The project would be constructed at the maximum FAR and height as permitted with a Public Benefit Bonus.

The Public Benefit Bonus allows additional development beyond the base intensity and height in exchange for providing additional benefits to the public. Potential examples of public benefits listed in the Specific Plan include publicly accessible open space, senior housing, additional affordable residential units, hotel facilities, preservation/reuse of historic resources, public parks/plazas, shuttle services, or a public amenity fund contribution. Public Benefit Bonuses require case-by-case discretionary review, and if the Planning Commission and/or City Council ultimately determine that the proposed benefits are not appropriate, a project can be required to be revised to the lower Base Level development standards.

The project has submitted a Public Benefit proposal, which is included as Attachment D. The proposal discusses a number of inherent project benefits, although the Public Benefit itself would take the form of a cash contribution to the pending El Camino Real/Downtown Specific Plan Public Amenity Fund, in the amount of \$2,100,000.

As required by the Specific Plan, staff has coordinated the preparation of an independent fiscal/economic analysis of both the project and its Public Benefit proposal, which is included respectively as two memos (Attachments E and F) by the City's consultant BAE. BAE has prepared detailed 'pro formas,' which examine typical revenues and costs for both the Public Benefit Bonus proposal (Bonus Project), as well as a similar proposal at the Base-level development standards (Base Project). The Base Project has not been fully designed, but the applicant has described it in sufficient detail for BAE to analyze its relative value. Both pro formas take into account factors such as current construction costs, City fees, capitalization rates, and typical market rents. However, as noted in the document, such factors can change, which may substantively affect the conclusions of the analysis. For this case, BAE has determined that development of the proposed Bonus Project would create approximately \$6,300,000 in additional project value compared to the Base Project.

For the value of the proposed Public Benefit, the cash nature of the applicant's proposal means that BAE does not need to provide possible estimates of its equivalent monetary value (as was done for other projects that proposed on-site benefits such as a community garden). However, BAE has provided analyses of the proposed \$2.1 million payment's relationship to other considerations. For example, at its most basic, the proposed payment would represent one-third of the estimated value increase for the proposed project ($\$2.1 \text{ million} / \$6.3 \text{ million} = 0.333$). BAE has also included comparisons with how other jurisdictions are considering this topic, as well as a draft analysis of a "FAR-foot value" calculation method

discussed by the Planning Commission during previous discussions of the public benefit topic. The memo does not recommend acceptance or rejection of the applicant's Public Benefit proposal, but provides context for the consideration of the Planning Commission and City Council.

As noted earlier, the granting of a Public Benefit Bonus is a discretionary action, and should be considered on a case-by-case basis. The study session format allows for a wide range of discussion/direction on the Public Benefit Bonus topic, although the core question is whether the public benefits and the developer benefits are roughly aligned, or whether the public benefit proposal needs to be revised/augmented. The Specific Plan does not establish an explicit ratio for the value of the public benefit in relation to the developer benefit. However, it is implied that these values should not be orders of magnitude apart. The Commission may also note whether any additional information/analysis needed to complete consideration of this item.

Following the Planning Commission and City Council's consideration of the Public Benefit proposal, a range of actions are possible, including:

- If Commissioners/Council Members provide generally positive feedback, the applicant could continue refining the proposal as it is currently structured. The project could then be presented for comprehensive action at a future meeting.
- If Commissioners/Council Members provide direction that the public benefit proposal needs to be revised or augmented, the applicant would consider that guidance and either:
 - Revise the proposal and return for additional study sessions, or request that the revised proposal be processed by staff and presented for comprehensive action at future meetings.
 - Revise the proposal to adhere to the Base level standards, which (as a reminder) provided increased development potential when the Specific Plan was adopted and, as shown in the BAE memo, result in an economically feasible project. The revised Base-level project could then be considered by the Planning Commission and City Council at future meetings.

While the current study session item is an opportunity for individual Commissioner guidance, the Planning Commission as a body may consider a "term sheet" or equivalent action on the Public Benefit Bonus topic at a subsequent meeting, if more formality is desired. Such an action would not represent any sort of binding approval of the Public Benefit Bonus proposal, as the overall project actions need to be considered comprehensively, including with consideration to environmental review requirements. However, a term sheet or similar action could provide documentation of how the Planning Commission viewed this topic at a preliminary stage. The City Council could likewise consider a term sheet as part of its pending study session on this topic, although this is likewise not required.

Impact on City Resources

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

Environmental Review

As discussed in the Analysis section of this report, a Draft Infill EIR has been prepared for the project.

Following the close of the comment period, staff and the consultant will compile the responses to comments document, and will consider and respond to comments received on the Draft Infill EIR. Repeat comments may be addressed in Master Responses, and portions of the EIR may be revised in ~~strike through~~ (deleted text) and underline (new text) format. Once the responses and revisions are complete, the Final Infill EIR will be released, consisting of the Responses to Comments plus the Draft Infill EIR. The Final Infill EIR will be considered by the Planning Commission and City Council concurrent with the final project actions.

Public Notice

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of publishing a notice in the local newspaper and notification by mail of owners and occupants within a 300-foot radius of the subject property. Notice of the Draft Infill EIR's availability and the holding of this public hearing was also provided to agencies and jurisdictions of interest (e.g., Caltrans, Town of Atherton, etc.).

Attachments

- A. Location Map
- B. Project Plans
- C. Draft Infill EIR Correspondence
- D. Station 1300 Public Benefit Proposal
- E. BAE Memorandum – Financial Modeling of Project
- F. BAE Memorandum – Evaluation of Proposed Public Benefit

Disclaimer

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

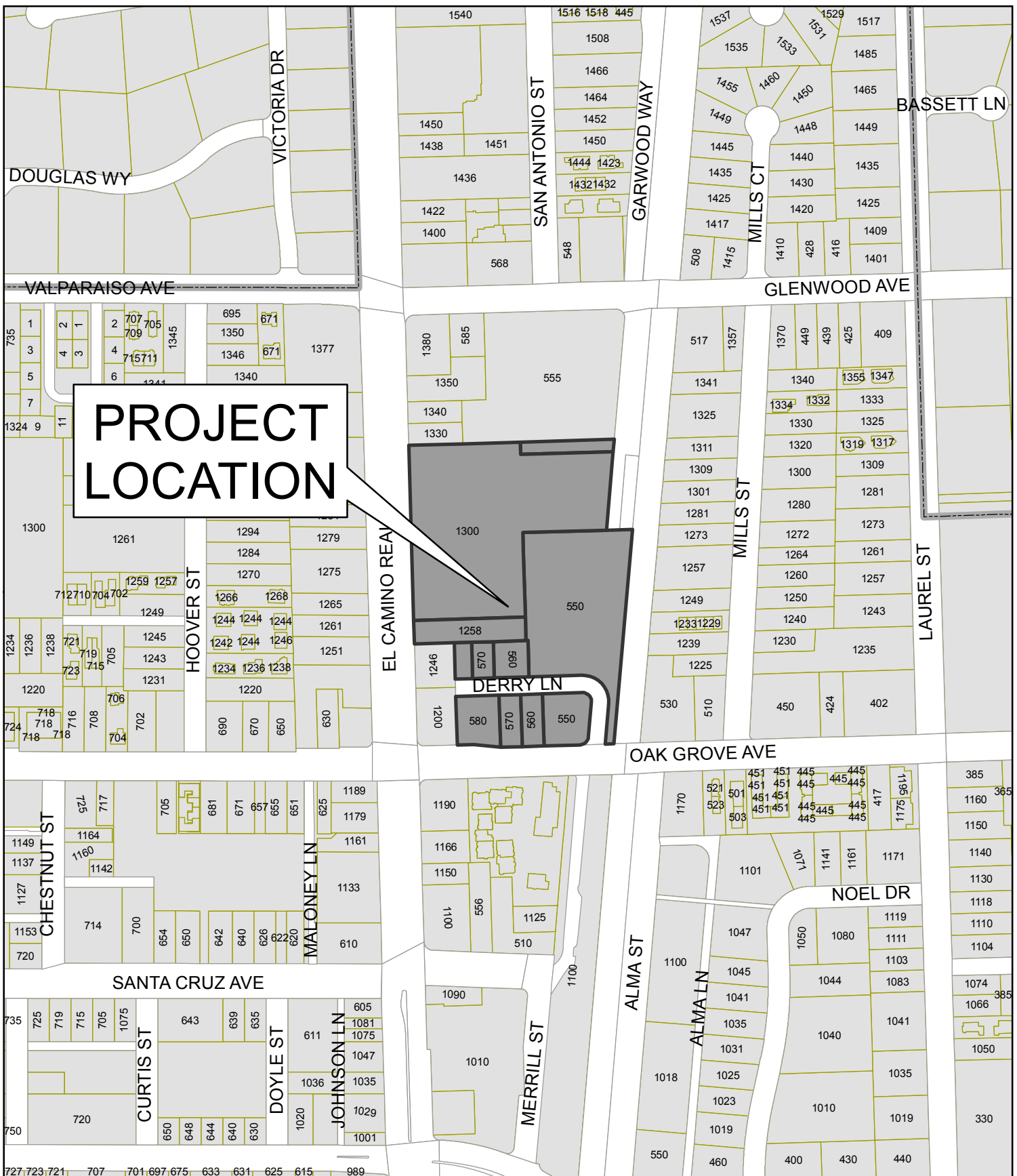
None

Report prepared by:

Thomas Rogers, Principal Planner

Report reviewed by:

Arlinda Heineck, Community Development Director

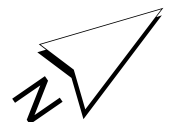


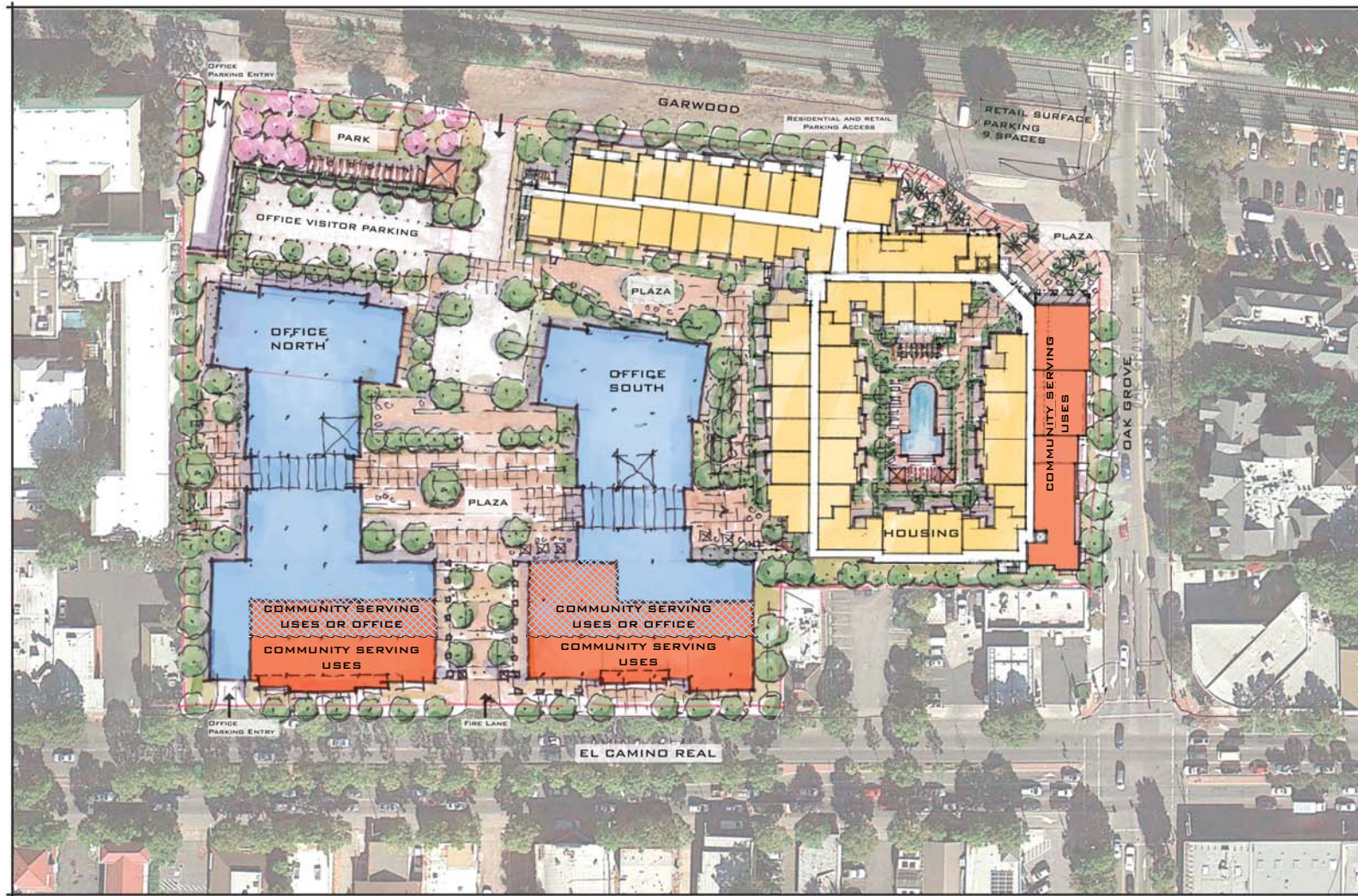
CITY OF MENLO PARK

LOCATION MAP

STATION 1300 (1300 EL CAMINO REAL)

DRAWN: THR CHECKED: THR DATE: 03/21/16 SCALE: 1" = 300' SHEET: 1





Community Serving Uses include Restaurants, Retail & Personal/Business Services

0 40' 80' 160'

1300 EL CAMINO REAL MIXED-USE
Menlo Park, California

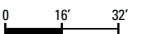
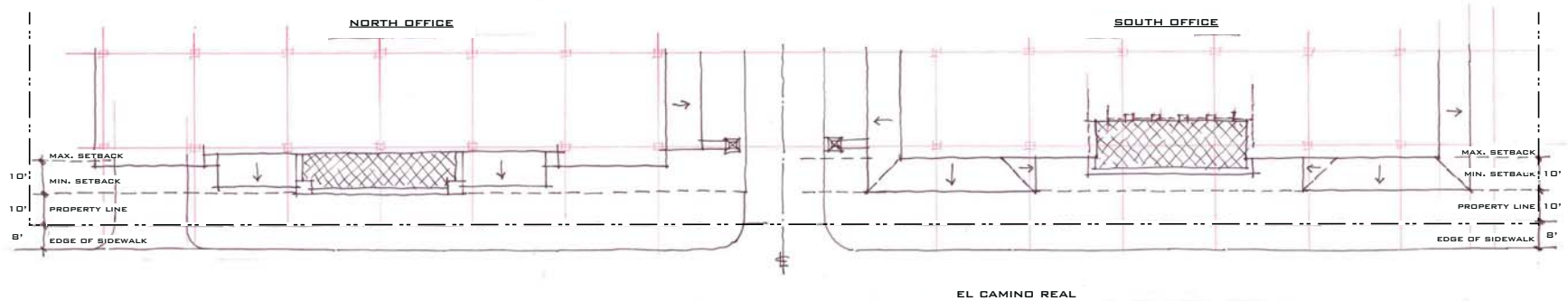
Site Plan at Ground Level

Owner: GREENHEART LAND CO.

Date: 07.29.2014

Project No.: 12060

BARarchitects



1300 EL CAMINO REAL
Menlo Park, California

Office Elevation at El Camino

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects



1300 EL CAMINO REAL
Menlo Park, California

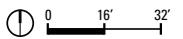
Office at El Camino

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects



1300 EL CAMINO REAL
Menlo Park, California

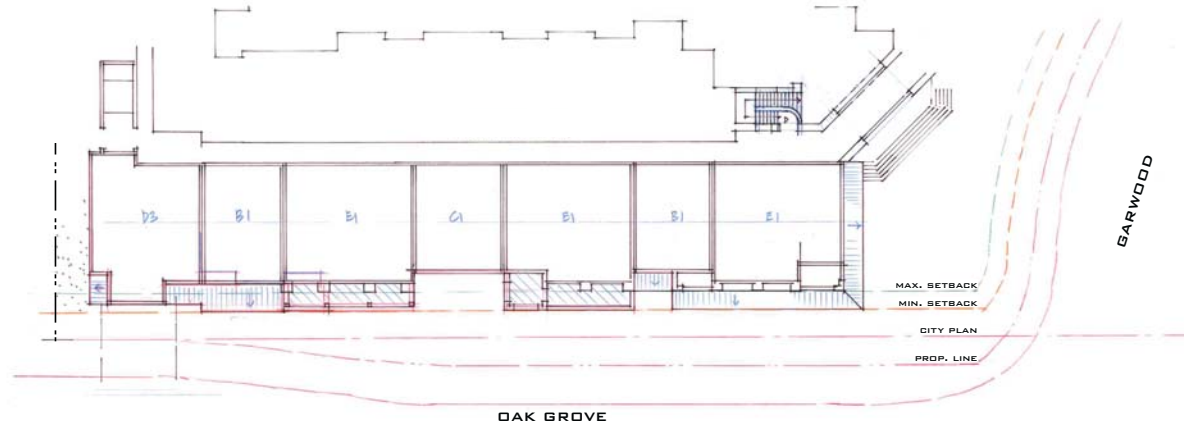
Oak Grove Retail Site Plan

Greenheart Land Co.

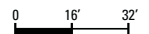
Date: 07.29.2014

Project No.: 12060

BARarchitects



SECOND THRU FOURTH FLOOR RESIDENTIAL UNITS



1300 EL CAMINO REAL
Menlo Park, California

Mixed-Use Elevation at Oak Grove

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects



1300 EL CAMINO REAL
Menlo Park, California

Mixed-Use at Oak Grove

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects



1300 EL CAMINO REAL
Menlo Park, California

View from Oak Grove & Garwood Way

Greenheart Land Co.

Date: 07.29.2014

Project No.: 12060

BARarchitects











Rogers, Thomas H

From: Jen Yahoo <jenmazzon@yahoo.com>
Sent: Tuesday, February 23, 2016 12:23 AM
To: Rogers, Thomas H
Subject: Greenheart traffic study

Thomas, here are my comments:

Please don't proceed with this development that will make Menlo Park more dangerous for pedestrians and bikers at key intersections and along central city routes. Please consider prescribing a smaller scale project to ensure acceptable traffic impacts.

Jen Mazzon
413 Central Avenue, MP

RECEIVED

MAR 14 2016

CITY OF MENLO PARK
BUILDING

March 6, 2016

Menlo Park Planning Commission
701 Laurel Street
Menlo ark, CA 94025

We've been talking about the Station 1300 development, driving around the area, talking some more, and mostly shaking our heads that this project is even being considered.

Have you driven south on El Camino around 8 AM toward Oak Grove and Glenwood? Have you driven north or west or east in that area at any time? Have you studied and counted cars throughout the day?

It's obvious Greenheart Land Company is only interested in the dollars to be gained. The residents are already (and will increasingly be) concerned with the traffic, continuing loss of local shopkeepers, parking problems, and especially growing loss of hometown pride.

Gold Country, or Brentwood area, here we come !

A handwritten signature in dark ink, appearing to be a stylized 'A' or 'J' followed by a flourish.



January 27, 2016

Mr. Thomas Rogers
Senior Planner, Community Development
City of Menlo Park
701 Laurel St.
Menlo Park, CA 94025

Re: Station 1300 Public Benefit Proposal

Dear Mr. Rogers,

Greenheart Land Company is pleased to submit the attached Public Benefit Proposal for Station 1300. The proposal describes the base and public benefit level developments, as well as the benefits that flow to the community.

We welcome your questions as you review this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Pierce', is written over a horizontal line.

Steve Pierce
Principal
Greenheart Land Co.,

**Public Benefit Proposal
for
Station 1300**

Prepared for:
City of Menlo Park

Prepared by:
Greenheart Land Company

January 27, 2016

Public Benefit Proposal for Station 1300

Greenheart Land Co. (“GLC”) has proposed to develop a mixed-use project at Public Benefit density at the properties located at 1258 and 1300 El Camino Real and the adjacent Derry Lane parcels. Preliminary drawings of the proposal have been submitted to the City. The following summarizes benefits of Station 1300 to Menlo Park.

There are two categories of benefits: (1) intrinsic community benefits, those that are integral to the development itself, and (2) Public Benefits, those that are proposed to achieve the public benefit density as specified in the El Camino Real/Downtown Specific Plan (“Plan”). Station 1300 will be a dramatic improvement to a prominent and long blighted site and, by its nature, bring extraordinary benefits that will be enjoyed by many. Station 1300 will be more than a place to work and live; it will offer the people of Menlo Park new venues to shop, eat and gather. Further, the intrinsic benefits to the community will include such things as new bike routes; sorely needed rental housing; revenues for the City, schools, and other public entities; and fulfillment of the Plan Vision.

At the public benefit density (“Public Benefit Case”), the intrinsic community benefits of Station 1300 will far exceed those of the base density (“Base Case”). For example, there will be more and larger public spaces; more greatly needed residential units; greater stimulus to the downtown; and more revenue to the City, schools, fire department and other governmental entities.

In addition to these intrinsic community benefits, GLC will make a Public Benefit cash contribution of \$2,100,000 to the Downtown Amenity Fund. This is one third of the incremental financial benefit that the City’s consultant BAE has determined will accrue to GLC from the Public Benefit Case.

The Public Benefit Case and Base Case developments are described below in Section I. The intrinsic community benefits are detailed in Section II, and the Public Benefit is described further in Section III.

I. Development Description

At base density (i.e., floor area ratio – FAR – 110%), Station 1300 would consist of 310,000 sf in the form of two 2-story office buildings totaling 155,000 sf; a 3-story rental residential structure; 10,000 sf of community serving businesses (such as restaurants and retail) spread among the three buildings; and a 5-level above ground parking structure. The public benefit density (i.e., FAR 150%) development would consist of 420,000 sf, which would include about 190,000 sf of office buildings at 3-stories; 202,000 sf of apartments at 4-stories; about 30,000 sf of space for community serving businesses; and one and one-half floors of underground parking. The Public Benefit Case would have more open space, more residences, and more space devoted to community serving businesses. The two development scenarios are described further in Exhibit A.

II. Intrinsic Community Benefits

Station 1300 will benefit Menlo Park in numerous ways, and the Public Benefit Case development has several advantages over the Base Case development. The benefits of the Base and Public Benefit cases are compared in Exhibit B and described in detail below. The costs of the community benefits for each case are summarized in Exhibit C.

Those benefits that are equally afforded by both alternatives are described below in Section IIA. By most measures the Public Benefit Case offers substantially more intrinsic community benefits as described in Section IIB.

A. Similar Benefits of Public Case and Base Case

Of the twelve Plan goals, Station 1300 fulfills all that are applicable. Some will be met to an equal degree by both cases.

- 1. Improve circulation and streetscape conditions on El Camino Real:** Greenheart will build a new public street on its property to connect Glenwood Ave with Oak Grove Ave. Ownership of the land and improvements will be deeded to the City. The new street will complete the connection between Encinal Ave and Ravenswood Ave, and improve access to the Caltrain station, and remove some cars from El Camino. With the missing link in place, Garwood will become a safe alternative bike route to El Camino Real for travel to the Caltrain station and Santa Cruz Ave. The cost to construct the new public street is estimated to be \$2,300,000 (excluding land and design costs) and will be borne by Greenheart.

Another important circulation program will be robust GLC Transportation Demand Management (TDM) program which will reduce the number of vehicular trips of employees and residents. These TDM's include Caltrain Go-Passes (free 24/7 train use) for every apartment and office employee, extensive bike parking, showers and changing rooms in the office buildings, preferential car pool parking, and pay parking, an economic incentive to not drive.

The El Camino streetscape at the site of Station 1300 has been a community embarrassment for more than a decade. Station 1300 will fulfill the long held citywide desire for improvement.

- 2. Ensure that El Camino Real development is sensitive to and compatible with adjacent neighborhoods:** The architecture of Station 1300 draws from the Spanish Eclectic that is enjoyed at the revered Allied Arts complex and many structures throughout Menlo Park. The apartments will face Garwood and Oak Grove and thereby provide an attractive façade to the residential neighborhoods to the east and the 1155 Merrill condominiums. Further, the apartments will be separated by over 100 ft. from the residential neighborhood to the east by the intervening Garwood extension and the railroad right-of-way.

- 3. Revitalize the under-utilized parcels and buildings:** Station 1300 will revitalize one of the two most significant under-utilized areas on El Camino Real in Menlo Park.
- 4. Provide an integrated, safe and well-designed pedestrian and bicycle network:**
Currently Garwood terminates at the rear of Station 1300 at the border of the former Derry Property. With the extension of Garwood to Oak Grove and the provision of a sidewalk and bicycle route, the link between neighborhoods to the north, including the two new hotels, to the Caltrain Station, downtown, and beyond, will be completed to provide a route safer and more pleasurable than the El Camino alternative. Additionally, at GLC's expense, Oak Grove will be widened to accommodate a bike route, thereby improving the important connector between West Menlo and Menlo-Atherton High School.

B. Enhanced Benefits of the PB Case

Under the Public Benefit Case, many of the Plan goals will be met to a greater degree of than with the Base Case. In addition, the Public Benefit Case will generate more revenues for the City, schools and other governmental entities.

- 1. Maintain Village Character:** Station 1300 will include the elements that define Menlo Park's "Village" character: street level activity, scale of buildings, open space, and eclectic and inviting architecture. The El Camino and Oak Grove frontages will have ground level shops and restaurants consistent with the areas around it. Even at the Public Benefit height, Station 1300 will be consistent with many of the buildings in the El Camino corridor, including the adjacent condominiums at the corner of Oak Grove and Merrill. Further, the buildings are highly articulated to break up the mass and to continue the varied shapes and forms that characterize the Plan area.

One dimension of Menlo's "Village" character is its open spaces. The Plan requires that new development in the Plan area have 20% open space. The Base Case alternative would barely achieve this objective because of the above ground parking structure. The Public Benefit Case would devote over 49% of the site to at grade open space. Underground parking (Public Benefit Case only) is a considerable benefit to the community because it eliminates the need for an above ground parking structure (Base Case) and thereby reduces building coverage and increases the amount of open space. Underground parking will cost GLC over \$26,000,000 more than above ground parking according to the BAE study done for the City. In addition, village character is enhanced by the elimination of the 5-level Base Case parking structure.

- 2. Improve circulation and streetscape condition on El Camino Real:** In addition to the improvements described previously (e.g., extension of Garwood), Station 1300 will contribute nearly \$1,300,000 in traffic impact fees to improve circulation. (This is \$350,000 more than with the Base Case.)
- 3. Activate the train stations:** Station 1300 is the "poster-child" for mixed-use transit oriented development. The importance of the proximity to the Caltrain station is emphasized in the

name of the development, Station 1300. The train station area will be activated by increasing train ridership and creating a center of activity at the Oak Grove Plaza.

Business and residential tenants will be attracted to Station 1300 because they want to get out of their cars and commute by train, as well as walk to downtown amenities. Further, GLC will issue Caltrain Go-Passes to all tenants to incentivize rail use.

The main entry of the residential building and Oak Grove Plaza will be oriented toward and have a line of sight connection with the train station. This node will be activated by the convergence of many uses: leasing office, adjacent retail, plaza café with outdoor dining, the grand entry to the apartments, and in the Public Benefit Case, the pedestrian entry to the under ground parking. The Public Benefit Case will have 35% more floor area, and therefore 35% more people than the Base Case. Thus, it will bring 35% more activity to the train station than the Base Case.

4. Expand shopping, dining and neighborhood services to ensure a vibrant downtown:

Along the El Camino Real frontage, the Public Benefit Case would offer two restaurants as well as community serving businesses. It is contemplated that Oak Grove businesses will include casual dining and other food related products. The Public Benefit Case will devote 18,600 sf to 29,000 sf to these uses. The Base Case will designate 10,000 sf for community serving uses.

In addition, activity in downtown will increase when there is a greater daytime and evening population to support existing and new businesses: restaurants, retail, and services. This in turn will attract more Menlo Park residents to downtown. Station 1300 office workers will be daytime patrons and new residents will enliven downtown in the evening. Like with the increased activity in the Caltrain Station area described above, the Public Benefit Case can reasonably be expected to bring 35% more stimulus, not counting the multiplier effect, to the downtown than the Base Case.

5. Provide residential opportunities in the Vision Plan Area: Menlo Park homes are among the most expensive in a region that itself is one of the most expensive in the U.S. The average sales price for a single family home in Menlo Park in 2015 was \$2,340,000. All residences at Station 1300 will be for rent, not purchase. Even at market rate, Station 1300 will add a significant number of relatively affordable units (when compared to purchasing a home) to the city housing stock. These units will appeal to a younger demographic that cannot afford to buy in Menlo Park and will, thereby, increase diversity. In addition, it is this demographic that will be especially drawn to Station 1300 because of the proximity of downtown resources. Under the Public Benefit Case, there will be 182 units, 10 of which will be below market rate (BMR). The Base Case development would have a total of about 130 units, 7 of which would be BMR. (GLC is proposing a BMR plan that could provide considerably more BMR units within the City, but in any event the Public Benefit Case will result in proportionally more BMRs.)

- 6. Provide plaza and park space:** Much of the increased open space afforded by underground parking will be made available to the public in the form of two plazas, an amphitheater plaza, and a park. These amenities are depicted in Exhibit D.

Unlike Alma Station, there is no plan to cordon off these spaces to prevent public access. Indeed, it is GLC's desire for the community to energize the spaces.

Central Plaza: Between the office buildings, there will be a large (approximately one-half acre) plaza that will be a central feature of Station 1300. (The Base Case Central Plaza would be considerably smaller.) This will be a multi-use gathering place for the community. The pedestrian entry off El Camino will be through a colonnade with restaurants on each side. The Garwood entry will take the visitor through a landscaped corridor, past Garwood Park, and through the amphitheater. At the western end will be family restaurant dining that will flow into the Plaza. The courtyard at the center will be bordered by landscaped islands that are 18 inches above the plaza surface, which will serve as seating. Café tables in the tree-shaded islands will be for non-restaurant dining or hanging out with friends or a laptop. Children, in particular, will enjoy the "play art" sculptures in the islands. The central courtyard will accommodate larger gatherings such as concerts, presentations, social gatherings, and the like. The design of the Central Plaza is intentionally flexible to allow uses as varied as reading in the shade to a reception for hundreds of people.

Oak Grove-Garwood Plaza: GLC will provide an approximately 3,600 sf plaza at the corner of Oak Grove and the new Garwood extension. (The Base Case plaza would be smaller.) The plaza will feature decorative paving, outdoor seating, and landscaping. It will be adjacent to food and retail services. This plaza is oriented to the Caltrain station to enliven the station area and is intended for outdoor dining in the spirit of Café Borrone's Plaza.

Garwood Park: GLC will provide an approximately 18,000 sf park near the northeast portion of the development along Garwood Avenue. This will be a place of recreation, both active and passive. Proposed amenities include bocce courts, ping pong tables, BBQs, picnic tables, and park seating. The park will be highly landscaped and have a shade trellis. (Garwood Park is not included in the Base Case.)

Plaza Amphitheater: Between Garwood Park and the Central Plaza will be an 8,200 sf amphitheater area for public presentations, musical or otherwise, at a scale more intimate than the Central Plaza. (The Base Case does not include the amphitheater.)

The construction cost of the park and plazas is estimated to be \$3,380,000. The plazas are priced at \$57 per square foot, which is the amount estimated for the Alma Station Public Benefit. At \$85 per square foot, Garwood Park will be somewhat more expensive because of the higher level of improvements (e.g., trellis, BBQ facilities, permanent game tables, and bocce courts). Refer to Exhibit C.

- 7. Financial Benefits:** Both the Base Case and Public Benefit Case developments will generate annual tax revenues to the City and other public entities, as well as one-time fees to the City

and schools. Those residing and working at 1300 ECR will also spend in the Menlo Park economy.

In summary, the Public Benefit development will provide the City and other public agencies, with over \$8,000,000 in impact fees, \$1,700,000 more than the Base Case development. The Public Benefit development will also spur over \$21,000,000 in annual retail sales in Menlo Park, which is \$10,000,000 more than the Base Case development.

Further, the Public Benefit Case will increase annual revenues to the City by \$550,000, which is \$170,000 more than the Base Case development. The Public Benefit development will provide \$1,700,000 per year in tax revenues to schools, which is \$425,000 per year more than the Base Case. The total annual revenues to all public agencies generated by the Public Benefit Case will be about \$5,000,000 or \$1,700,000 more than the Base Case.

- 8. Promote Sustainability**—A Downtown Plan guiding principle is to incorporate a *“comprehensive approach to sustainability and carbon emissions reduction, utilizing standards integrated with best practices and guidelines.”* Station 1300 has established the goal of LEED Platinum certified office buildings as well as LEED Gold certification for the residential building. In addition, the office building will attempt to be certified as a Net Zero Energy building by employing over 3,000 solar photovoltaic panels on the roofs as well as incorporating an Open Loop Ground Source Heat Exchange heating/cooling system that will utilize deep groundwater to heat/cool both the office and residential buildings. Reaching these goals will be a first by a privately funded speculative development in California. LEED Silver is the goal for the Base Case residential and office buildings.

III. Public Benefits

A. Introduction

As described previously, the Public Benefit Case offers the community intrinsic benefits that exceed those of the Base Case (e.g., greater revenues, more housing, more public open space). In addition, GLC will provide a Public Benefit that recognizes the value created by the increased floor ratio.

The Plan encourages Public Benefits that are on-site (e.g., parks, plazas, and common rooms, pg. E17) and off-site (e.g., shuttle services, public amenity funds, pg. E17). The goal of the Plan is to encourage project sponsors to incorporate on-site Public Benefits that improve project quality and long-term utility to the public. GLC has sought to design Station 1300 to fulfill the vision of the Plan in all respects and to be an enduring asset to the community. GLC believes that the Public Benefit Case includes, as intrinsic benefits, many on-site features that address the Plan’s goals for public amenities.

B. Proposal

GLC proposes, beyond the on-site benefits noted above, to contribute \$2,100,000 to the Downtown Amenity Fund for use in the Plan area in a manner decided by the people of Menlo

Park. This could include anything from a downtown parking structure, to downtown beautification, to whatever is deemed needed. The cash contribution would be one-third of the \$6,300,000 value calculated by BAE and nearly two times the 18% cash Public Benefit provided by Alma Station. Refer to Exhibit E for further explanation.

One major difference between the Public Benefit Case and the Base Case is the underground parking, which because of the high cost and additional time to construct increases development risk considerably. The amount of the contribution to the Downtown Amenity Fund reflects this added risk and the significant community benefits (e.g. open space and plazas) that are the consequence of locating the parking underground.

IV. Summary

The GLC Public Benefit consist of a \$2,100,000 contribution to the Public Amenity Fund. In addition, Station 1300 community benefits will include a park and plazas (1.2 acres) that are open to the public (costs \$3,380,000); the extension of Garwood for vehicles, bikes, and pedestrians (cost \$2,300,000); and for the Public Benefit Case additional impact fees (\$1,700,000) and additional annual revenues to the schools (\$425,000 per year), as well as other intrinsic benefits.

Exhibit A

Development Summary: Base and Public Benefit Cases Station 1300

| Land Use/Description | Base Case | Public Benefit Case | Difference |
|---|------------|---------------------|------------|
| Office | | | |
| No. of buildings | 2 | 2 | 0 |
| Height | 38 ft | 48 ft | 10 ft |
| Façade height | 38 ft | 38 ft | 0 ft |
| Stories | 2 | 3 | 1 |
| Space (sf) | | | |
| Office | 155,000 | 188,900 | 33,900 |
| Community serving (CS) (maximum)* | 5,000 | 21,100 | 16,100 |
| Total | 160,000 | 210,000 | 50,000 |
| Residential | | | |
| No. of buildings | 1 | 1 | 0 |
| Height | 38 ft | 48 ft | 10 ft |
| Façade height | 38 ft | 38 ft | 0 ft |
| Stories | 3 | 4 | 1 |
| Space (sf) | | | |
| Apartments | 145,000 | 202,100 | 57,100 |
| Community serving | 5,000 | 7,900 | 2,900 |
| Total | 150,000 | 210,000 | 60,000 |
| Apartments | | | |
| Market rate | 123 | 172 | 49 |
| Below market rate | 7 | 10 | 3 |
| Total | 130 | 182 | 52 |
| Office+Residential+CS | | | |
| Floor area ratio | 1.10 | 1.50 | 0.40 |
| Total area | 310,000 sf | 420,000 sf | 110,000 sf |
| Parking | | | |
| Type | Above grnd | Below grnd | N/A |
| Levels | | | |
| Above ground | 4 | 0 | 4 |
| Below ground | 1 | 2 | 1 |
| Total | 5 | 2 | 5 |
| Parking spaces | 813 | 980 | 167 |
| Open Space at grade (Percentage of Site area) | 20% | 49% | 29% |

* The minimum amount of space for community serving businesses in the office buildings would be 10,700 sf, which would result in 199,300 sf of office space.

Exhibit B

Intrinsic Community Benefits

Comparison of Base and Public Benefit Cases

| Benefit | | Base Case | PB Case | Comments |
|---|--|-----------|---------|---|
| <i>Downtown Specific Plan Vision</i> | | | | |
| | Maintain village character | X | XX | PB Case: 29% more of the site in open space |
| | Improve ECR circulation and streetscape | X | X | Extend Garwood, Cost \$2,300,000 |
| | ECR neighborhood compatability | X | X | |
| | Revitalize underutilized parcels | X | X | |
| | Activate train station | X | XX | PB Case: more transit patrons and activity |
| | Expand shopping and vibrancy | X | XX | PB Case: 35% more people and economic activity |
| | Provide residential opportunities | X | XX | PB Case: 52 more units (3 more BMR units) |
| | Provide plazas and park space | X | XX | PB Case: more plaza and park space at an additional cost of \$2,670,000 |
| | Central plaza | X | XX | PB Case: larger plaza |
| | Oak Grove-Garwood Plaza | X | XX | PB Case: larger plaza |
| | Garwood Park | 0 | X | Base Case: no park |
| | Amphitheater Plaza | 0 | X | Base Case: no amphitheater |
| | Provide pedestrian and bike network | X | X | |
| <i>Financial benefits</i> | | | | |
| | Annual tax rev. to all public agencies including schools | X | XX | PB Case: @1,700,000 per year more revenue |
| | Annual tax rev. to schools | X | XX | PB Case: \$425,000 per year more revenue |
| | Impact and connection fees | X | XX | PB Case: \$1,700,000 more fees |
| <i>Sustainability</i> | | | | |
| | Office buildings | X | XX | PB Case: seek to attain LEED Platinum and Net Zero Energy Base Case: LEED Silver |
| | Residential buildings | X | XX | PB Case: LEED Gold Base Case: LEED Silver |

Legend

0 = benefit not present

X = benefit present

XX = greater or enhanced benefit

Exhibit C

Cost of Intrinsic Community Benefits

| Community Benefit | | | Cost to GLC | | |
|--|--------|---------|-------------------------|-------------------------|-------------------------|
| | | | Base Case | PB Case | Difference |
| Garwood Extension | | | \$2,300,000 | \$2,300,000 | \$0 |
| New Bike Routes | | | NIC | NIC | |
| Open Space (additional cost for underground parking) | | | \$0 | \$26,000,000 | \$26,000,000 |
| Park and plazas | | | | | |
| | (sf) | (\$/sf) | | | |
| Central plaza* | 20,930 | \$57 | \$570,000 | \$1,193,010 | \$623,010 |
| Oak Grove/Garwood plaza* | 3,620 | \$57 | \$142,500 | \$206,340 | \$63,840 |
| Amphitheater plaza | 8,224 | \$57 | \$0 | \$468,768 | \$468,768 |
| Garwood Park | 17,850 | \$85 | \$0 | \$1,517,250 | \$1,517,250 |
| Total | 50,624 | | \$712,500 | \$3,385,368 | \$2,672,868 |
| Downtown Vibrancy | | | NIC | NIC | NIC |
| Rental Housing (more affordable than for sale housing) | | | NIC | NIC | NIC |
| Financial Benefits | | | | | |
| Annual tax revenue to public agencies | | | \$3,300,000 per year | \$5,000,000 per year | \$1,700,000 per year |
| Impact fees & Connection fees | | | \$6,500,000 | \$8,200,000 | \$1,700,000 |
| Fulfill El Camino Real/Downtown Specific Plan Vision | | | NIC | NIC | NIC |

* Under the Base Case the Central Plaza will be about 10,000 sf and the Oak Grove Plaza 2,500 sf.

Exhibit D

Site Plan and Renderings



STATION
— 1300 —

Site Plan



STATION
— 1 3 0 0 —

Shops, restaurants, and offices on El Camino Real



STATION
—1300—

Shops on Oak Grove



STATION
— 1 3 0 0 —

Apartment courtyard



STATION
— 1 3 0 0 —

Central plaza and north office building



STATION
— 1 3 0 0 —

Oak Grove at Garwood

Exhibit E

Alma Station Public Benefits

| Public Benefits | % of Cost of Public Benefit Attributed by City to Public Value | Cost of Public Benefit as % of Increased Project Profit |
|---------------------------------|---|--|
| On-site | | |
| Plazas | 100% | 22% |
| Coffee Kiosk | 100% | 19% |
| Electric Vehicle Charge | 100% | 3% |
| Total: | | 44% |
| Off-Site | | |
| Contribution to Amenity Fund | 100% | 18% |

bae urban economics

Memorandum

To: Thomas Rogers, City of Menlo Park

From: Ron Golem, Stephanie Hagar, BAE

Date: March 14, 2016

Re: Financial modeling of public benefit bonus for potential 1300 El Camino Real project

Overview: Purpose of the Analysis

This memorandum presents the results of BAE's modeling of the value of a proposed horizontal mixed-use development project at 1300 El Camino Real in Menlo Park, which would utilize the public benefit program outlined in the El Camino Real / Downtown Specific Plan. This memorandum evaluates the potential developer profit from a project with the base entitlements versus one with a public benefit bonus. Based on the findings presented in this memorandum, BAE has prepared a separate memorandum to evaluate the developer's proposed public benefit contribution relative to the increase in value attributable to the public benefit bonus.

The potential project as conceived to date by the developer ("base project"), consistent with the base entitlements in the Specific Plan, would consist of a two-story office building of approximately 150,000 gross square feet with a parking structure behind it; and 137 rental residential units in a 3-story building above a podium structure that would contain parking. Approximately 15,000 square feet of retail would be provided between both buildings. The base project is not the developer's preferred option, and has not been designed in detail, other than what is needed to conduct this analysis.

The potential project with the public benefit bonus allowed by the Specific Plan ("bonus project") would place all parking in a two-level underground parking garage beneath the development. The site would then accommodate two three-story office buildings with approximately 218,000 gross square feet; and 182 rental residential units in a four-story building. Ground floor community serving uses would comprise approximately 7,900 square feet in the residential building and 10,700 to 21,100 square feet in the office building. The bonus project is the developer's preferred scenario, and has been currently the subject of more design work.

San Francisco

1285 66th St.
Emeryville, CA 94608
510.547.9380

Sacramento

803 2nd St., Suite A
Davis, CA 95616
530.750.2195

Los Angeles

706 South Hill St., Suite 1200
Los Angeles, CA 90014
213.471.2666

Washington DC

1400 I St. NW, Suite 350
Washington, DC 20005
202.588.8945

New York City

49 West 27th St., Suite 10W
New York, NY 10001
212.683.4486

Key Findings

Pro forma analysis was conducted to estimate the profit from the two alternative development programs, using information provided by the developer as well as BAE's independent research and evaluation of development costs and market conditions (the pro formas are attached to this memorandum). Sensitivity analysis was also conducted to test how these findings might change based on changes in cost or market conditions. Key findings include:

- The bonus project would result in approximately \$78.2 million of profit to the developer (with development cost of \$275 million including land with carrying costs), compared to approximately \$71.9 million of profit for the base project (with development cost of \$200 million including land with carrying costs). This means that the bonus project realizes \$6.3 million in additional profits compared to the base project.
- Based on the pro forma assumptions, both projects are feasible, with the base project achieving a strong adjusted 43 percent return on total costs (a standard metric for return used by developers), and the bonus project achieving strong adjusted 30 percent return on costs).

Because development returns are sensitive to changes in project costs, interest rates, market rental rates and other factors, a sensitivity analysis of selected risk factors as conducted to identify how changes could impact the above findings. The results of this analysis are shown in the table below:

Sensitivity Analysis for Potential 1300 El Camino Real Project Profit (\$ millions)

| Scenario | Base Project Profit | Bonus Project Profit | Profit Increase |
|---|---------------------|----------------------|-----------------|
| BAE Estimate | \$71.9 | \$78.2 | + \$6.3 |
| Underground Parking Cost Shift | | | |
| 10% Cost Increase | \$69.7 | \$72.6 | +\$2.9 |
| Construction Hard Cost Shift | | | |
| 10% Cost Increase | \$62.5 | \$65.2 | +\$2.7 |
| Change in Capitalization Rate (Corresponds to Interest Rate Hike, Lower Project Value) | | | |
| 0.25% Rise | \$59.1 | \$61.5 | +\$2.4 |
| 0.50% Rise | \$47.5 | \$46.4 | -\$1.1 |
| Increase in Rental Rates | | | |
| 5% rent increase | \$87.3 | \$98.3 | \$11.0 |

Source: BAE, 2015.

The sensitivity analysis shows that the estimate of \$6.3 million increase in profit from the bonus project falls within a range of potential outcomes from an increase in project profit of

\$0 million to \$11.0 million. All projects remain feasible, and generate an increase in value for the bonus project, except for a 0.5 percent increase in cap rates, which causes a decrease in value between the base and bonus project because the increase in project value no longer exceeds the increase in total project cost (the lower bound value for the value of the bonus is treated as \$0).

The cost of underground parking is a key factor because it is the most expensive way to provide parking (\$42,500 per space versus \$21,000 for above-ground parking structures), and it is necessary to fully take advantage of the public benefit bonus. Underground parking costs can vary substantially based on site geotechnical conditions.

Capitalization rates are used to estimate the value of income properties and move in tandem with changes in interest rates (capitalization rates are a measure of project net operating income relative to project value, since income is constant a rise in rates means a property is worth less). A significant increase in interest rates will make the finished project worth less, and shrink the profit from the bonus project.

Finally, local residential rental rates have spiked in the current cycle, and to avoid overstating potential rents they are based on the mid-range of rents in new local area high-end rental residential developments. Profit will increase if rents continue to rise and/or top of market rents can be realized.

Limiting Conditions

The above analysis is based on cost and valuation factors along with market rental rates provided by the potential developer and identified by BAE in its independent research during the Second Quarter of 2015. The project is in pre-development, and as design and development work proceeds it is possible that changes in design, building code requirements, construction costs, market conditions, interest rates, or other factors may result in significant changes in costs and profits. Depending upon these changes, the project as built may become more profitable, or could become less profitable or even infeasible. The figures in this analysis should not be relied upon beyond the next three month to six month period, and may be superseded before then.

For these initial findings, BAE used an estimate of land value based on partial property records. This land value represents a top of market estimate for development sites in Northern Santa Clara County, and is supported by the high office rents and residential rents that can be realized. To the extent that the actual cost of land for the project differs, it would change the total profit from the base or bonus project. However, because it is a fixed cost for both projects, it would not be expected to change the difference in profit between the base and bonus project.

The impact fee calculation does not include sewer connection fees because these are based on flow calculations that are not available at present. These, however, should be proportional between the base project and bonus project, and therefore should not substantially affect the calculation of the increase in profit for the bonus project.

Methodology

BAE met with City staff and the potential developer for 1300 El Camino Real to review the proposed site plan and development program and review the developer's assumptions regarding costs, rental rates, operating costs, capitalization rates, and other factors. BAE subsequently conducted independent research to verify these figures. This included interviews with area developers of office space and rental residential projects to confirm construction costs, operating costs, and capitalization rates. Confidential project cost information for other proposed projects under consideration by the City was reviewed. A review of cost figures for the appropriate construction types as published in the R.S. Means Company construction cost guides was conducted. Rental rates for comparable projects were researched for two recently built high-end rental residential projects in Mountain View (no recently built market rental residential projects in their initial lease up period were identified in Menlo Park or Palo Alto). Published reports on local market area capitalization rates were reviewed. Review of other assumptions, such as acceptable developer returns, was based on BAE's experience with other projects in the local market area.

This information was then used to prepare a project pro forma (projection) model for the base project and the bonus project. The pro formas consist of Excel worksheets that show assumptions for the development program, development costs, income, operating expenses, and financing costs. The worksheets then show the calculation of project cost by category, and an analysis of the value of the new development by component, and profit and return. The model is set up to calculate project profit as the residual value, by deducting total development costs (including land) from the market value of the completed project. To confirm feasibility, the "return on costs" was calculated (profit divided by total development costs excluding land); the current market range is between eight and 12 percent return on cost, depending upon the project type, local market condition, and overall project risk.

The pro forma models are attached to this memorandum, with the base project shown first, followed by the bonus project. Each model consists of two pages: the first page is a summary of development costs and the analysis of project value, profit and return; the second page contains all the assumptions used to calculate cost and return.

Key Assumptions

The pro formas set forth all assumptions used in the analysis. Following is a summary of key assumptions that were used for both models:

- The residential units mix includes studios, junior one-bedroom units, one-bedroom units, two-bedroom units, and a small number of three-bedroom units. Approximately two-thirds of the units are one-bedroom or two-bedroom units, reflecting market demand.
- Unit sizes range from 535 square feet for junior one-bedroom units, to 713 square feet for one-bedroom units, to 1,096 square feet for two-bedroom units, to 1,549 square feet for the three-bedroom units.
- Monthly rental rates range from \$3,300 for a junior one-bedroom unit, to \$3,600 for a one-bedroom unit, to \$4,300 for a two-bedroom unit, to \$6,200 for the three-bedroom units.
- Below market-rate (BMR) units are included pursuant to the City's BMR requirements for commercial development. Rental rates for the BMR units are assumed per City policy, and range from \$1,643 for a studio or junior one-bedroom unit, to \$1,878 for a one-bedroom unit, to \$2,113 for a two-bedroom unit.
- Rental rates for the office space are assumed to be \$66 per square foot per year, triple-net. The rental rate for retail space is assumed to be \$36 per square foot per year, triple-net, reflecting locations that are not as directly accessible to El Camino Real as other retail.
- Hard construction costs range between \$240 per square foot for commercial to \$250 per square foot for the residential. By comparison, the residential construction cost is approximately one-third higher than a standard multifamily project, reflecting a much higher quality of design and greater building amenities.
- Parking hard costs range, on a per space basis, from \$21,000 for structured spaces and \$31,000 for podium spaces in the base project, to \$42,500 per space for underground parking in the bonus project.
- All City impact fees were calculated and included, except for the sewer connection fee (as noted in the limiting conditions section of this memorandum).

Pro Forma for Mixed-Use Development with Base Case per Specific Plan

Proposed Project at 1300 El Camino Real, Menlo Park CA

ADMIN DRAFT

| Development Program Assumptions | | | | Cost and Income Assumptions | | | |
|---|---------|---------|--------|--|----------|--------|---------------|
| Characteristics of Project | | | | Development Costs | | | |
| Site - gross acres / square feet (sf) | 7.11 | 309,712 | | Demolition costs, per site sf | | | \$2.42 |
| Site area net of Garwood Ave - acres / sf | 6.43 | 280,091 | | Environmental remediation cost, per site sf | | | \$10.33 |
| Garwood Way extension, sf | | 42,100 | | On-site utilities and landscaping, per site sf | | | \$25.18 |
| Office rentable area, sf | | 149,380 | | Construction hard costs, per sf - resid/office/retail | \$250 | \$240 | \$240 |
| Retail gross leasable area, sf | | 14,550 | | Road construction - Garwood Ave, per sf of road | | | \$64 |
| Dwelling units (du) | | 137 | | Off site utility construction cost | | | \$750,000 |
| Jr 1 bedroom - number / average size | 17 | 535 | | Appliance costs, per du | | | \$4,000 |
| 1 bedroom - number / average size | 52 | 713 | | Impact fees (b) | | | \$3,846,453 |
| 2 bedroom - number / average size | 55 | 1,096 | | Tenant improvements, per sf of office / retail | \$60 | | \$50 |
| 3 Bedroom - number / average size | 5 | 1,549 | | Soft costs, % of hard costs | | | 20% |
| BMR Jr 1 bedroom - number / average size | 1 | 535 | | Parking construction cost, per space: | | | |
| BMR 1 bedroom - number / average size | 3 | 713 | | Surface parking cost, per space | | | N/A (c) |
| BMR 2 bedroom - number / average size | 4 | 1,096 | | Above-grade garage spaces | | | \$21,000 |
| Parking: | | | | Podium parking spaces | | | \$31,000 |
| Surface parking spaces | | 25 | | Underground parking spaces | | | \$42,500 |
| Above-grade garage spaces | | 586 | | Developer fee % of total project costs | | | 0% |
| Podium parking spaces | | 170 | | | | | |
| Underground parking spaces | | | | | | | |
| Total parking spaces | | 781 | | Revenues and Operating Expenses | | | |
| Common area sf - residential / office / retail (a) | 17,746 | 4,620 | 450 | Office rental rate, sf/yr, NNN | | | \$66.00 |
| Total sf - residential / office / retail | 139,000 | 154,000 | 15,000 | Retail rental rate, sf/yr, NNN | | | \$36.00 |
| Dwelling units/acre | | 21 | | Residential rental rate per du/mo: | | | |
| | | | | Jr 1 bedroom | | | \$3,300 |
| | | | | 1 bedroom | | | \$3,600 |
| | | | | 2 bedroom | | | \$4,300 |
| | | | | 3 Bedroom | | | \$6,200 |
| | | | | BMR Jr 1 bedroom | | | \$1,643 |
| | | | | BMR 1 bedroom | | | \$1,878 |
| | | | | BMR 2 bedroom | | | \$2,113 |
| | | | | Annual op. cost - per du / per office sf / per retail sf | \$11,000 | \$1.80 | \$1.80 |
| | | | | Vacancy rate - residential / office / retail | 5% | 5% | 5% |
| Notes | | | | Financing | | | |
| (a) Common area % resid'l / office / retail: | 12.8% | 3% | 3% | Construction loan to cost ratio | | | 70% |
| (b) Includes the following impact fees City impact fee schedule: Storm | | | | Loan fees (points) | | | 2% |
| Drainage Connection Fee, Building Construction Road Impact Fee, Water | | | | Interest rate | | | 5.5% |
| Capital Facilities Charge, Traffic Impact Fee, ECR/Downtown Specific | | | | Construction period (months) | | | 14 |
| Plan Preparation Fee, Supplemental Transportation Impact Fee, Sequoia | | | | Drawdown factor | | | 60% |
| Union High School District Impact Fees, Menlo Park City Elementary School | | | | Total hard + soft construction costs | | | \$144,665,253 |
| District Impact Fee. Fee calculation per report. Excludes sewer | | | | Total loan amount | | | \$101,265,677 |
| connection fee, pending flow calculations. Supplemental Transportation | | | | Capitalization Rate - Residential / Office / Retail | 4.25% | 5.75% | 6.00% |
| Impact Fee estimated pending calculations from City. | | | | | | | |
| (c) Cost of surface parking is included in site development costs. | | | | | | | |
| (d) Estimate by BAE based on review of recorded sales data for parcels | | | | | | | |
| comprising the project site. | | | | | | | |
| (e) Consists of property tax payments on half of the property between | | | | | | | |
| March 2012 and June 2015 and property tax on the remaining half of the | | | | | | | |
| property between Dec. 2012 and August 2015 at \$21,800 per month. | | | | | | | |
| (f) Adjusted to include 5% developer fee separate from investor return, | | | | | | | |
| even though unlike most developers, applicant does not collect this. | | | | | | | |

Source: BAE, 2015.

Pro Forma for Mixed-Use Development with Base Case per Specific Plan

Proposed Project at 1300 El Camino Real, Menlo Park CA

ADMIN DRAFT

| Development Costs | | Value Analysis | |
|--|----------------------|---|---------------------|
| Development Costs (Excludes Land) | | Projected Income | |
| Demolition costs | \$750,000 | Residential | |
| Environmental remediation cost | \$3,200,000 | Gross scheduled rents | \$6,318,348 |
| On-site utilities and landscaping | \$7,800,000 | Less vacancy | (\$315,917) |
| Residential construction costs | \$35,298,000 | Gross annual rents | \$6,002,431 |
| Office construction costs | \$36,960,000 | Less operating expenses | (\$1,507,000) |
| Retail construction costs | \$3,600,000 | Net operating income (NOI) | \$4,495,431 |
| Garwood Ave construction costs | \$2,685,000 | | |
| Off site utility construction cost | \$750,000 | Office | |
| Tenant improvements | \$8,730,000 | Gross scheduled rents | \$9,859,080 |
| Parking costs | \$17,576,000 | Less vacancy | (\$492,954) |
| Soft costs | \$23,469,800 | Gross annual rents | \$9,366,126 |
| Impact fees | <u>\$3,846,453</u> | Less operating expenses | (\$277,200) |
| Total construction costs | \$144,665,253 | Net operating income (NOI) | \$9,088,926 |
| Total cost, per rentable sf | \$470 | | |
| | | Retail | |
| Interest on construction loan | \$3,898,729 | Gross scheduled rents | \$523,800 |
| Points on construction loan | <u>\$2,025,314</u> | Less vacancy | (\$26,190) |
| Total financing costs | \$5,924,042 | Gross annual rents | \$497,610 |
| | | Less operating expenses | (\$27,000) |
| | | Net operating income (NOI) | \$470,610 |
| Total development costs | \$150,589,295 | | |
| | | Total net operating income | \$14,054,967 |
| | | Development Feasibility | |
| | | Capitalized value | \$271,686,616 |
| | | Less development costs | (\$150,589,295) |
| | | Less land cost - estimate (d) | (\$47,637,500) |
| | | Less Property taxes during holding period (e) | (\$1,591,400) |
| | | Project profit | \$71,868,421 |
| | | Adjusted return as % of hard cost (f) | 43% |

Pro Forma for Mixed-Use Development with Public Benefit Bonus per Specific Plan

Proposed Project at 1300 El Camino Real, Menlo Park CA

ADMIN DRAFT

| Development Program Assumptions | | | | Cost and Income Assumptions | | | |
|--|---------|---------|--------|--|----------|--------|---------------|
| Characteristics of Project | | | | Development Costs | | | |
| Site - gross acres / square feet (sf) | 7.11 | 309,712 | | Demolition costs, per site sf | | | \$2.42 |
| Site area net of Garwood Ave - acres / sf | 6.43 | 280,091 | | Environmental remediation cost, per site sf | | | \$10.33 |
| Garwood Way extension, sf | | 42,100 | | On-site utilities and landscaping, per site sf | | | \$25.18 |
| Office rentable area, sf | | 188,277 | | Construction hard costs, per sf - resid/office/retail | \$250 | \$240 | \$240 |
| Retail gross leasable area, sf | | 23,086 | | Road construction - Garwood Ave, per sf of road | | | \$64 |
| Dwelling units (du) | | 182 | | Off site utility construction cost | | | \$750,000 |
| Jr 1 bedroom - number / average size | 22 | 535 | | Appliance costs, per du | | | \$4,000 |
| 1 bedroom - number / average size | 68 | 713 | | Impact fees (c) | | | \$5,272,860 |
| 2 bedroom - number / average size | 75 | 1,096 | | Tenant improvements, per sf of office / retail | | \$60 | \$50 |
| 3 Bedroom - number / average size | 7 | 1,549 | | Soft costs, % of hard costs | | | 20% |
| BMR Jr 1 bedroom - number / average size | 1 | 535 | | Parking construction cost, per space: | | | |
| BMR 1 bedroom - number / average size | 4 | 713 | | Surface parking cost, per space | | | N/A (d) |
| BMR 2 bedroom - number / average size | 5 | 1,096 | | Above-grade garage spaces | | | \$21,000 |
| Parking: | | | | Podium parking spaces | | | \$31,000 |
| Surface parking spaces | | 50 | | Underground parking spaces | | | \$42,500 |
| Above-grade garage spaces | | - | | Developer fee % of total project costs | | | 0% |
| Podium parking spaces | | - | | | | | |
| Underground parking spaces | | 1,036 | | Revenues and Operating Expenses | | | |
| Total parking spaces | | 1,086 | | Office rental rate, sf/yr, NNN | | | \$66.00 |
| Common area sf - residential / office / retail (a) | 39,936 | 5,823 | 714 | Retail rental rate, sf/yr, NNN | | | \$36.00 |
| Total sf - residential / office / retail (b) | 202,100 | 194,100 | 23,800 | Residential rental rate per du/mo: | | | |
| Dwelling units/acre | | 28 | | Jr 1 bedroom | | | \$3,300 |
| | | | | 1 bedroom | | | \$3,600 |
| | | | | 2 bedroom | | | \$4,300 |
| | | | | 3 Bedroom | | | \$6,200 |
| | | | | BMR Jr 1 bedroom | | | \$1,643 |
| | | | | BMR 1 bedroom | | | \$1,878 |
| | | | | BMR 2 bedroom | | | \$2,113 |
| | | | | Annual op. cost - per du / per office sf / per retail sf | \$11,000 | \$1.80 | \$1.80 |
| | | | | Vacancy rate - residential / office / retail | 5% | 5% | 5% |
| Notes | | | | Financing | | | |
| (a) Common area % resid'l / office / retail: | 19.8% | 3% | 3% | Construction loan to cost ratio | | | 70% |
| (b) Retail sf based on 7,900 sf of community serving uses in the residential building and 10,700 - 21,100 sf of retail space in the office building. The analysis uses the midpoint of the range of potential retail sf in the office space. | | | | Loan fees (points) | | | 2% |
| (b) Includes the following impact fees City impact fee schedule: Storm Drainage Connection Fee, Building Construction Road Impact Fee, Water Capital Facilities Charge, Traffic Impact Fee, ECR/Downtown Specific Plan Preparation Fee, Supplemental Transportation Impact Fee, Sequoia Union High School District Impact Fees, Menlo Park City Elementary School District Impact Fee. Fee calculation per report. Excludes sewer connection fee, pending flow calculations. Supplemental Transportation Impact Fee per estimates from City. | | | | Interest rate | | | 5.5% |
| (d) Cost of surface parking is included in site development costs. | | | | Construction period (months) | | | 21 |
| (e) Estimate by BAE based on review of recorded sales data for parcels comprising the project site. | | | | Drawdown factor | | | 60% |
| (f) Consists of property tax payments on half of the property between March 2012 and June 2015 and property tax on the remaining half of the property between Dec. 2012 and August 2015 at \$21,800 per month. | | | | Total hard + soft construction costs | | | \$214,078,341 |
| (g) Adjusted to include 5% developer fee separate from investor return, even though unlike most developers, applicant does not collect this. | | | | Total loan amount | | | \$149,854,839 |
| | | | | Capitalization Rate - Residential / Office / Retail | 4.25% | 5.75% | 6.00% |

Source: BAE, 2015.

Pro Forma for Mixed-Use Development with Public Benefit Bonus per Specific Plan

Proposed Project at 1300 El Camino Real, Menlo Park CA

ADMIN DRAFT

| Development Costs | | Value Analysis | |
|--|----------------------|---|---------------------|
| Development Costs (Excludes Land) | | Projected Income | |
| Demolition costs | \$750,000 | Residential | |
| Environmental remediation cost | \$3,200,000 | Gross scheduled rents | \$8,436,240 |
| On-site utilities and landscaping | \$7,800,000 | Less vacancy | (\$421,812) |
| Residential construction costs | \$51,253,000 | Gross annual rents | \$8,014,428 |
| Office construction costs | \$46,584,000 | Less operating expenses | (\$2,002,000) |
| Retail construction costs | \$5,712,000 | Net operating income (NOI) | \$6,012,428 |
| Garwood Ave construction costs | \$2,685,000 | | |
| Off site utility construction cost | \$750,000 | Office | |
| Tenant improvements | \$11,240,568 | Gross scheduled rents | \$12,426,282 |
| Parking costs | \$44,030,000 | Less vacancy | (\$621,314) |
| Soft costs | \$34,800,914 | Gross annual rents | \$11,804,968 |
| Impact fees | \$5,272,860 | Less operating expenses | (\$349,380) |
| Total construction costs | \$214,078,341 | Net operating income (NOI) | \$11,455,588 |
| Total cost, per rentable sf | \$510 | | |
| | | Retail | |
| Interest on construction loan | \$8,654,117 | Gross scheduled rents | \$831,096 |
| Points on construction loan | \$2,997,097 | Less vacancy | (\$41,555) |
| Total financing costs | \$11,651,214 | Gross annual rents | \$789,541 |
| | | Less operating expenses | (\$42,840) |
| | | Net operating income (NOI) | \$746,701 |
| Total development costs | \$225,729,555 | Total net operating income | \$18,214,717 |
| | | Development Feasibility | |
| | | Capitalized value | \$353,141,530 |
| | | Less development costs | (\$225,729,555) |
| | | Less land cost - estimate (e) | (\$47,637,500) |
| | | Less Property taxes during holding period (f) | (\$1,591,400) |
| | | Project profit | \$78,183,075 |
| | | Adjusted return as % of hard cost (g) | 30% |

bae urban economics

Memorandum

To: Thomas Rogers, City of Menlo Park

From: Stephanie Hagar, BAE

Date: March 14, 2016

Re: Evaluation of proposed public benefit for 1300 El Camino Real (Station 1300) project

This memorandum presents an evaluation of the proposed public benefit contribution for Station 1300, a development project at 1300 El Camino Real in Menlo Park. The site is in a location eligible for a public benefit bonus pursuant to the Specific Plan, which establishes the formula for the additional built area that is allowed in return for public benefits acceptable to the City. This memorandum builds on BAE's separate analysis modeling the increase in value of the project due to the increase in density from the public benefit bonus.

The public benefit bonus program outlined in the Specific Plan anticipates that public benefits provided pursuant to the program can take the form of on-site improvements, offsite improvements, monetary payment to the City for future use toward public improvements, or a mixture. The developer is proposing to provide a monetary contribution to the City.

Development Proposal

The potential project with the public benefit bonus allowed by the Specific Plan ("bonus project") would place all parking in a two-level underground parking garage beneath the development. The site would then accommodate two three-story office buildings with approximately 218,000 gross square feet; and 182 rental residential units in a four-story building. Ground floor community serving uses would comprise approximately 7,900 square feet in the residential building and 10,700 to 21,100 square feet in the office building. The bonus project is the developer's preferred scenario, and has been the subject of more design work. The developer's proposed public development contribution is a one-time \$2.1 million monetary payment to the City.

The potential alternate base-level project as conceived to date by the developer ("base project") would consist of a two-story office building of approximately 150,000 gross square feet with a parking structure behind it; and 137 rental residential units in a 3-story building above a podium structure that would contain parking. Approximately 15,000 square feet of retail would be provided between both buildings. The base project is not the developer's

San Francisco

1285 66th St.
Emeryville, CA 94608
510.547.9380

Sacramento

803 2nd St., Suite A
Davis, CA 95616
530.750.2195

Los Angeles

706 South Hill St., Suite 1200
Los Angeles, CA 90014
213.471.2666

Washington DC

1400 I St. NW, Suite 350
Washington, DC 20005
202.588.8945

New York City

49 West 27th St., Suite 10W
New York, NY 10001
212.683.4486

preferred option, and has not been designed in detail, other than what is needed to conduct this analysis.

Summary of Pro Forma Findings

BAE conducted a pro forma analysis to estimate the profit from the two alternative development programs, using information provided by the developer as well as BAE's independent research and evaluation of development costs and market conditions. The full pro forma analysis, methodology, and assumptions are detailed in a separate memorandum. Key findings include:

- The bonus project would result in approximately \$78.2 million of profit to the developer (with development cost of \$275 million including land with carrying costs), compared to approximately \$71.9 million of profit for the base project (with development cost of \$200 million including land with carrying costs). This means that the bonus project realizes \$6.3 million in additional profits compared to the base project.
- Based on the pro forma assumptions, both projects are feasible, with the base project achieving a strong adjusted 43 percent return on total costs (a standard metric for return used by developers), and the bonus project achieving strong adjusted 30 percent return on costs).

Evaluation of Proposed Public Benefit Contribution

Jurisdictions use a variety of metrics to establish the desired value of the public benefit contributions that developers provide in exchange for additional density. Many of these metrics base the value of the contribution on the difference in value between a project developed at the base level density and a project developed at the community benefit level density, either on a project-by-project basis according the specifics of individual projects, or on a more generalized basis using an analysis of project prototypes. The value of the community development contribution is typically expected to total some share of that difference. Possible methods for determining the value of the contribution based on this type of analysis include:

- **Negotiation:** On a project-by project basis, the City negotiates with the developer to determine the benefit contribution. This is the method that the City of Menlo Park currently uses to assess developer contributions for projects seeking the public benefit density in the Specific Plan area. The City has also undertaken this type of negotiation for projects in other areas, when a Development Agreement is proposed.
- **Flat dollar charge per square foot:** Developers are assessed a flat fee (e.g., \$20) per square foot of development in excess of the base level density. The fee rate is determined based on analysis of prototype projects and the same fee rate applies to all projects.

- Charge based on percent of value: Developers are assessed a fee based on a percent of the difference in value between the base level density and the community benefit level density, as assessed on a project-by-project basis.

A fourth potential metric to determine the desired value of a public benefit contribution could be based on the value of land, expressed as the land cost per square foot of building area (i.e., the cost per FAR-foot) under the base level density. For example, a 10,000 square foot site with a base level FAR of 1.1 allows for a total of 11,000 square feet of built area at the base level. If the land cost is \$1.65 million, the cost per FAR-foot would be \$150 (\$1.65 million/11,000 of buildable area). Using this method, the value of the public benefit contribution would total a portion of the FAR-foot land cost for square footage that exceeds the base level density. For example, if the FAR-foot value is \$150, the value of the public benefit contribution to the City might be \$75 per square foot of development that exceeds the base level density.

During the public benefit bonus review for some initial project proposals, there were individual Planning Commissioner suggestions that Menlo Park consider the FAR-foot value of new development when evaluating community benefits contributions provided under the Specific Plan. Under such a proposal, the Planning Commission could use the methodology described above as one metric to assess the appropriateness of proposed public benefits contributions. It can be noted that this type of analysis may not accurately account for non-linear costs, such as a taller development needing a different construction type, or a larger project featuring more expensive underground parking instead of cheaper above-ground parking. These issues in valuation, however, can be addressed through an appraisal process that utilizes comparable land sales for projects with similar characteristics.

Although no jurisdictions in California have implemented a FAR-foot method for evaluating public benefit contributions, this method has been adopted and considered by jurisdictions elsewhere. For example, the City of Chicago allows additional square footage in some zoning districts in exchange for either on-site affordable units or by making a monetary contribution to the City's Affordable Housing Opportunity Fund. The amount of the financial contribution is equal to the bonus floor area multiplied by 80 percent of the median land price per base FAR-foot in the submarket where the proposed development is located. A January 2014 report for the City of Toronto recommended that the City value community benefits contributions based on a percent of the appraised land value per square meter of buildable floor area, but the City has not yet adopted this method.

Station 1300 Proposed Public Benefit Contribution

The developer's proposed public benefits contribution for Station 1300 is a \$2.1 million monetary payment to the City. In addition, the developer has cited several non-monetary benefits of the project, but is not asking that the City consider these benefits as part of the developer's public benefit contribution. These additional benefits as identified by the

developer include an extension of Garwood Way through the project site, an improved streetscape along El Camino Real, 10 below-market-rate residential units, and three plazas and a park that would be open to the public.

Comparison to Sample Jurisdictions

Table 1 below shows the developer's proposed monetary contribution for Station 1300, expressed in terms of each of the four methods outlined above for determining the desired value of public benefit contributions. The table also shows a comparison to rates established in a sample of other California jurisdictions.

This analysis shows that the proposed contribution is generally consistent with fee rates that are charged on a per-square foot basis, but lower than the rates established based on a percent of the increase in value. The developer's contribution totals \$19 per square foot for the square footage that exceeds the base level density. This is slightly lower than the charge per square foot in Mountain View and the charge per square foot for commercial development in the San Francisco Eastern Neighborhoods Plan Area, but slightly higher than the charge per square foot in San Diego and the charge per square foot of residential uses in the San Francisco Eastern Neighborhoods Plan Area. The developer's contribution totals 33 percent of the increase in project value attributable to the public benefit bonus, lower than the rate charged in Culver City and lower than the proposed rate for San Francisco's Central SOMA Plan.

Table 1: Comparison of Proposed Benefit to Rates Charged in a Sample of California Cities with Public or Community Benefits Programs

| Method for Determining Benefit Value | Value of Proposed Benefit for Station 1300 (a) | Comparison Jurisdictions | Comparison Jurisdiction Rate |
|--------------------------------------|--|---|--|
| Negotiation | N/A | Menlo Park (El Camino Real / Downtown Specific Plan) | N/A |
| | | Palo Alto | |
| | | Berkeley (Downtown Specific Plan) (b) | |
| | | Santa Monica | |
| Flat fee per sq. ft. of increment | \$19 | Mountain View (El Camino Real Precise Plan, San Antonio Precise Plan) | \$20 |
| | | San Diego (select areas in Downtown) (c) | \$17 |
| | | San Francisco (Eastern Neighborhoods) (d) | Residential: \$12 - \$16 Commercial: \$20 - \$24 Additional inclusionary requirements also apply |
| Percent of Value of Increment | 33% | Culver City | 50% |
| | | San Francisco (Central SOMA Plan) (e) | 66%-75% (proposed) |
| | | Cupertino Investigated; has not been adopted | N/A |
| Percent of Land Value per FAR-foot | 12% | N/A | N/A |

Notes:

(a) Calculations for Station 1300 are based on the assumptions and site characteristics shown in Table 3.

(b) Berkeley is considering a proposal to allow developers to choose to either include benefits related to affordable housing, labor, and other benefits from a menu of options or to pay a flat fee. The flat fee rate has not been determined.

(c) Rate shown is an estimate; fee was set at \$15 per square foot in 2007 and inflated annually based on CPI. Developers can also provide benefits directly in exchange for increase in FAR.

(d) San Francisco uses a tiered approach, with lower fees for a 1- to 2-story increase in height and higher fees for a 3-story increase in height.

(e) Basis for valuing Community Benefits contributions for the Central SOMA Plan is still under consideration. A recent presentation by the City's Planning Department used the rates shown in the table as a target (see http://www.sf-planning.org/ftp/files/Citywide/Central_Corridor/20150625_Central_SoMa_Presentation_Final.pdf)

Comparison to Sample Projects with Negotiated Public Benefits

Table 2 shows the proposed public benefit for Station 1300 compared to the monetary contribution proposed for two other projects with negotiated public benefits, based on the three quantified methods described above (i.e., per square foot charge, percent of value increment, and FAR-foot methods). The first comparison project is 1020 Alma Street in the Specific Plan Area, which was recently approved by the Menlo Park Planning Commission. The public benefits contribution from this project consisted of a one-time payment of \$185,816 and public plaza spaces, one of which will include a coffee kiosk. The second comparison project is currently under review in Berkeley at 2211 Harold Way. While Berkeley currently negotiates community benefits in the Downtown Specific Plan Area, the Berkeley City Council is evaluating more formulaic approaches to assessing community benefits contributions. For projects currently in the pipeline, including the project at Harold Way, the City Council has

proposed a fee rate of \$100 per square foot for square footage between 75 and 120 feet in height and \$150 per square foot for square footage that exceeds 120 feet in height.

The proposed contribution for Station 1300 is generally consistent with the contribution provided by the developer of the project at 1020 Alma Street in Menlo Park. While the proposed contribution for Station 1300 is lower than the contribution for 1020 Alma on a per-square foot basis, the proposed contribution is similar if calculated based a percent of the FAR-foot value and higher if calculated based on a percent of the increase in value from the public benefit bonus. The proposed public benefit contribution for Station 1300 would be lower than the contribution for 1020 Alma after accounting for the non-monetary public benefit contributions from the 1020 Alma project. However, Station 1300 will provide similar public benefits in the form of plazas and a park that will be accessible to the public.

On a per-square foot basis, the proposed contribution for Station 1300 is considerably lower than the proposed per-square foot charge for 2211 Harold Way in Berkeley. In considering the proposed fee rates for the project on Harold Way, the City Council noted that these rates may be higher than in any other city in California. In addition, the fee for the project at Harold Way would permit the construction of 45 additional feet in height, which could be considered a fundamentally different project concession than the Specific Plan's FAR increase.

Table 2: Monetary Public Benefit Contributions from Projects with Negotiated Public Benefits

| Method for Determining Benefit Value | Value of Proposed Benefit for Station 1300 | 1020 Alma St, Menlo Park | 2211 Harold Way, Berkeley |
|--------------------------------------|--|--|---|
| Monetary Public Benefit Contribution | \$2,100,000 | \$185,816 | Unknown |
| \$ per sq. ft. of increment | \$19 | \$32 | \$100 from 75' to 120' in building height; \$150 above 120'. |
| Percent of Value of Increment | 33% | 18% | Unknown |
| Percent of Land Value per FAR-foot | 12% | 12% | Not applicable; site does not have a maximum FAR. |
| Comments | Calculations are based on the assumptions and site characteristics shown in Table 3. The developer has noted that the project will include additional non-monetary public benefits, but is not asking that these be considered as part of the public benefit contribution. | In addition to the monetary contribution shown in this table, the public benefit contribution for the project at 1020 Alma Street includes public plaza space and a coffee kiosk. Land value estimated based on the net present value of the ground lease. | Fee rate shown is still under consideration. Project will provide additional non-monetary community benefits. |

Key Assumptions

Key assumptions and project and site characteristics incorporated into the preceding analysis are as shown in the following table.

Table 3: Station 1300 Project Characteristics

| Selected Project Characteristics | Station 1300 |
|---|---------------------|
| Base level FAR | 1.1 |
| Site size (sq. ft.) | 280,091 |
| Allowable square footage at base FAR | 308,100 |
| Bonus level project size (sq. ft.) | 420,000 |
| Square footage above base level FAR | 111,900 |
| Land Cost | \$47,637,500 |
| Land Value per FAR-foot (at base level FAR) | \$155 |
| Additional value from Public Benefit Bonus | \$6,314,654 |
| Proposed monetary Public Benefit contribution | \$2,100,000 |

Note:

Site square footage for Station 1300 excludes the land used to extend Garwood Way. Land cost estimated based on BAE review of public records.