



## REGULAR MEETING MINUTES

**Date:** 5/23/2016  
**Time:** 7:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

### A. Call To Order

Chair Katherine Strehl called the meeting to order at 7:02 p.m.

### B. Roll Call

Present: Andrew Barnes, Susan Goodhue, Larry Kahle, John Onken, Henry Riggs, Katherine Strehl (Chair)

Absent: Andrew Combs (Vice Chair)

Staff: Deanna Chow, Principal Planner; Tom Smith, Associate Planner, Corinna Sandmeier, Associate Planner; Leigh Prince, City Attorney

### C. Reports and Announcements

Principal Planner Chow said the City Council at its May 24, 2016 meeting would consider adopting a resolution to extend the Secondary Dwelling Unit Ordinance previously adopted in 2014 that allowed for conversion of accessory buildings into secondary dwelling units. She said on May 25, 2016 a Budget Workshop would be held and on Thursday, May 26, 2016, the Environmental Impact Report (EIR) on the Facebook Campus Expansion would be released.

### D. Public Comment

There was none.

### E. Consent Calendar

- E1. Approval of minutes from the April 18, 2016 Planning Commission meeting. ([Attachment](#))

**ACTION:** Motion and second (Kahle/Strehl) to approve the minutes with the following edits; passes 4-2-1 with Commissioners Barnes and Riggs abstaining.

- Page 3, 5<sup>th</sup> paragraph, 1<sup>st</sup> line: delete the word “they” between the words “what” and “lighting”
- Page 10, 1<sup>st</sup> paragraph, 12<sup>th</sup> line: replace “Glenwood Avenue” with “El Camino Real”
- Page 12, 1 paragraph, 1<sup>st</sup> line: replace “Kurten” with “Cor-Ten steel”
- Page 13, last paragraph, 2<sup>nd</sup> line: replace “Clemente” with “Clement”

## F. Public Hearing

- F1. Use Permit/Stanford Health Care/3700 Haven Court: Request for a use permit for the storage and use of hazardous materials associated with general maintenance and repair activities performed by the Stanford Health Engineering and Maintenance Department, located in an existing building in the M-2 (General Industrial) zoning district. All hazardous materials would be used and stored within the building. ([Staff Report #16-037-PC](#))

Staff Comment: Associate Planner Smith said there were no additions to the written report.

Questions of Staff: Commissioner Kahle asked whether there was anything of concern regarding a creek's proximity to the project site. Assistant Planner Smith said West Bay Sanitary District in their comment form requested that they and Silicon Valley Clean Water be listed as emergency contacts in the event of a spill.

Commissioner Onken said an application for a daycare center had been made at 3705 Haven Court, and thought another such use was located around the corner from the subject project. He asked if there were any other such uses. Assistant Planner Smith said there were some residential developments in the area but they were not aware of any day care center applications in the vicinity. He said one had been considered but was not being pursued.

Public Comment: Mr. Bart McClelland, RMW Architects and interiors, project architect, said he had no comment.

Commission Comment: None

**ACTION:** Motion and second (Onken/Kahle) to approve the item as recommended in the staff report; passes 6-0-1 with Commissioner Combs absent.

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 RMW Architecture & Interiors, consisting of nine plan sheets, dated received May 12, 2016, as well as the Hazardous Materials Information Form (HMIF), dated received March 9, 2016, approved by the Planning Commission on May 23, 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.

F2. Use Permit/Tusker Medical, Inc./155 Jefferson Drive: Request for a use permit for the use and storage of hazardous materials associated with the research, development and manufacturing of medical devices for ear, nose and throat patients, located in an existing building in the M-2 (General Industrial) zoning district. All hazardous materials would be used and stored within the building. ([Staff Report #16-038-PC](#))

Staff Comment: Associate Planner Sandmeier said there were no additions to the written staff report.

Applicant Presentation: Mr. Eric Goldfarb, Vice President of R&D Operations for Tusker Medical, said they were a small company looking for innovative solutions for patients. He said their first platform was technology to place tympanostomy tubes under local anesthesia.

Commissioner Kahle noted recommendations made by the potential high school in the area and asked how those were being addressed.

Ms. Ellen Ackerman, Green Environment, consultant to Tusker Medical, said the school district was basically requesting to be included on the emergency response phone list, and that was something they could do. She said the normal conditions of approval did not allow the company to change or increase the chemicals used or stores unless they went through another use permit process.

Chair Strehl opened and closed the public hearing as there was no public comment.

Commission Comment: There was general discussion about future processes with the expected streamlining of hazardous use and waste permits under the General Plan update. Chair Strehl and Commissioner Onken both commented on the prospective school's application reviewed previously by the Commission and the Commission's concern with a school being located in an industrial area with hazardous materials use and storage.

**ACTION:** Motion and second (Onken/Goodhue) to approve the item as recommended in the staff report; passes 6-0-1 with Commissioner Combs absent.

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 project plans provided by Green Environment, Inc., consisting of five plan sheets, dated received May 12, 2016, as well as the Hazardous Materials Information Form (HMIF), dated received May 18, 2016, approved by the Planning Commission on May 23, 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.

## **G. Study Session**

- G1. Proposed Zoning Ordinance Amendments to the M-2 Area Associated with the General Plan Update/City of Menlo Park: Review and comment on the draft Zoning Ordinances for the creation of three new zoning districts in the M-2 Area, which is primarily the existing industrial and business parks located between Highway 101 and Bayfront Expressway. The proposed districts include the Office (O), Life Science (LS) and Residential-Mixed Use (R-MU) designations, and each zoning district includes development regulations, design standards, and green and sustainable building requirements. Provisions for community amenities in exchange for increased development potential (floor area ratio) and/or height are also being considered. In addition, changes to the C-2-B zoning district to allow for residential uses and modifications to the hazardous materials review process are also being proposed. This is a study session to receive public input and no

actions will be taken. Comments provided will assist staff in preparing the final draft Zoning Ordinances. The final documents, along with the final draft Land Use and Circulation Elements, will be reviewed by the Planning Commission and City Council during future public hearings on the items. Additional noticing will be conducted for the future meetings. (Staff Report #16-039-PC). Commissioner Onken said he would need to recuse himself due to a conflict of interest related to one of the parcels within the M-2 area.

Staff Comment: Principal Planner Chow said staff received four correspondences earlier in the day that had been provided to the Commission at the dais; those were from Harry Bims, Sobrato Organization, Adina Levin, and the Tarlton Group.

Mr. Charlie Knox, Placeworks, introduced colleague Rosie Dudley and from BAE Economics, David Shiver. He said starting on page 5 of the staff report there were five questions that were the primary items to be reviewed. He said the General Plan Advisory Committee (GPAC) made its final recommendations about one month ago. He said most of the land in the M-2 was proposed to be in one of three new zoning districts with others remaining M-2. He said that though the three new districts sounded like single-use districts they would actually have flexibility within each to allow for uses allowed in the other zoning districts. He mentioned community amenities for bonus development and traffic demand management required of any new development. He said it was the City's intent to be a leader in green development and construction. He showed the draft zoning map, noting that in addition to the circulation map for the circulation element, the zoning map explicitly included new connections in the forms of streets and paseos. He said the GPAC opted to show these on the map. He said they decided not to try to regulate block length as that had implications for campus style environments.

Mr. Knox referred to the five questions on page 5 of the staff report that the GPAC thought the Planning Commission's input was needed to help resolve. He said a suggestion was made that properties either not in or within close proximity to one another should be able to share the maximum Floor Area Ratio (FAR). He noted the maximum buildout of the M-2 map in preparation for the Environmental Impact Report (EIR). He said there was basically 2.3 million square feet of new development in the M-2 area. He said suggestions ranged from having FAR shared across property lines or over a larger area. He said the reason for the suggestion was to have greater flexibility with the site design and that greater differences in height and mass could occur with that. He said the GPAC also discussed whether having greater than 200% FAR in residential development was reasonable based on the expectation that 200% FAR, the bonus level, would only accommodate studio, and one- and two-bedroom units, and that three-bedroom units were desirable.

Mr. Knox said the basic question about building heights was whether it should be higher. He said that it would not increase the building development potential, that there were the same number of housing units, and same square footage of non-residential development being studied for the EIR. He said they had assumed they would measure from average grade to the height of the building. He said a strong suggestion was made that 10 feet should be added to raise buildings in the flood zone, with coastal and inland flooding, and sea level rise potential. He said hotels were currently set at 110-foot height in the O District, which would equal 10 stories. He said a suggestion was made to allow greater height for hotels to 130-feet or 12 stories. He said in addition if the average grade was increased by 10 feet, the base level which would mirror the rights under the existing General Plan and Zoning at 45-feet was suggested at 60 feet. He said the bonus level height in the existing residential zoning district was 70-feet or six stories. He said a 85-foot height allowance or seven stories was suggested at least in the Jefferson Drive area and perhaps across the whole

M-2. He said for the four-and-half story average height for the O District along Willow Road it was suggested to remove the word average as it was not needed and would allow for more flexibility.

Mr. Knox said regarding affordable housing and community amenities a question for the Commission to consider was whether residential development should be required to provide community amenities in addition to the 15% affordable units required as a threshold for bonus level development, and whether the threshold percentage of affordable units should be higher than 15%. He said under existing case law, precedence and the City's below market rate (BMR) housing ordinance, rental units Citywide could not have such a blanket 15% BMR requirement as was the case with ownership units. He said in discussions with property owners in the M-2 area the desire was probably for rental units. He referred the Commission to page 175 of the staff report for the proposed list of Community Amenities. He said a letter from Mr. Bims, a GPAC member, suggested that some things on the list should be removed.

Chair Strehl said related to Traffic Demand Management (TDM) that a suggestion was made to reduce trips by 20% and asked how the standard was determined. Mr. Knox said it was based on standard formula for the type of use and also on factors such as available parking. He said companies strive for greater reduction as it was in their best interests.

Commissioner Riggs asked if Bohannon's TDM agreement was 10% or 20%. Principal Planner Chow asked if he was referring to Menlo Gateway. She noted Mr. Bohannon was in the Chambers and might know as she did not. He did not. Commissioner Riggs asked if required open space included parking areas. Principal Planner Chow said it excluded areas paved for parking.

Commissioner Barnes asked if the 15% was a unit count or square footage for affordable housing. Mr. Knox said unit count. Commissioner Barnes asked if particular amounts were linked to the several defined income levels defined for affordable housing.

City Attorney Prince asked if the question was how the rents were set. Commissioner Barnes said that and the income associated with each of the levels. Ms. Prince said state law provided a formula by which rents would be set for the various income levels.

Chair Strehl asked if paseos were counted as open space. Principal Planner Chow said they were. She said a paseo located on private property with a public access easement over it would be considered part of the open space calculation and total lot size for calculating FAR. Chair Strehl asked if the property owner could convert the paseo to a street. Principal Planner Chow said public streets would need to be consistent with the draft zoning ordinance map for future streets and paseos. She said internal street connections would be reviewed individually project by project basis.

Mr. Knox said the circulation map could be changed by the City to be most beneficial. He said they arrived at the street and paseo configurations shown based on the current realities of the area and the desire and need of people to move around in other ways besides vehicles. He said if someone had a large enough aggregation of property and they wanted to do another street or paseo, or relocate them, they would seek an adjustment to the zoning map and determination of compliance with the General Plan.

Commissioner Riggs confirmed with staff that street dedication would remove that square footage from consideration as open space and lot size for purposes of calculating FAR.

Commissioner Barnes asked related to transferable development rates as it related to OSC-open space, if there were any discussions about wetlands rights associated with that property as it related to the General Plan update. Mr. Knox said the division between Life Sciences zoning that was not to be bonus was next to open spaces, which was all public land with Caltrans' ownership without development rights. He said a couple of parcels on the edge of the Life Sciences zoning district toward University Avenue and the Dumbarton Rail were partly wetlands and partly uplands. He said those parcels might want their development rights transferred to the parcels more in the core of the Life Sciences area and get some monetary or other credit for that. He said he also understood that some of those property owners thought there was enough uplands area for development.

Public Comment: Chair Strehl reminded speakers that they would have three minutes to speak.

- Chantaell Barker, Belle Haven resident, said regarding affordable housing requirements for base level and bonus level development that BMR requirements applied only to home ownership developments and not rental developments. She said rental developments at base level should provide a percentage of affordable housing. She said in opposition to the argument that this would discourage development that Menlo Park was a prime developable location, the market was booming, and developers would make a profit regardless. She requested that rental developments be required to provide affordable housing at both base and bonus level development. She said the threshold percentage for affordable housing should be greater than 15% and proposed it be raised to 30%. She said affordable housing should be able to be located anywhere in the City and paying an in-lieu fee should not be an option. She said developers and businesses have argued that development would not be feasible if they were required to build more than 15% affordable housing. She said if that was true the City should use existing in-lieu fees to close any funding gaps or any additional costs the developer might incur providing more than 15% affordable housing.
- Diane Bailey said she was the Director of MenloSpark, an independent and non-profit organization working with business, residents and government partners, to achieve a climate neutral Menlo Park within 10 years. She said they supported these updated zoning rights as a very important step to a sustainable, vibrant and modern community. She said the proposed draft regulations demonstrated leadership on green, sustainable and smart development. She said the current regulations had benefited from a wider stakeholder process. She said regarding residential development that they supported the comments received from Harry Bims. She said it was important for the Belle Haven community to have a grocery store, a main street, and other community amenities including better transit options. She said they supported the updates to the green building standards and energy requirements. She said adding onsite renewable solar could save property owners and occupants a significant amount of money. She said they supported the transportation recommendations, and that a 20% trip reduction goal was a great step but they hoped for incremental progress over time, and a more concerted effort to address traffic challenges of future development. She said modernizing the City and being mindful of the climate and carbon footprint was important to ending fossil fuel use.
- Harry Bims confirmed with Chair Strehl that Cheryl Bims had donated her three minutes to him. He noted the letter with comments on the draft zoning ordinance he had submitted. He said he was a former planning commissioner, a GPAC member and Menlo Park Chamber of Commerce Board member. He said the Chamber hosted a series of meetings for Belle Haven residents and commercial developers in the M-2 including Sobrato, Tarlton Properties, Bohannon, Facebook, CS-Bio, Greenheart and St. Anton. He said there were areas of

common ground forged in those meetings, which he incorporated into his submitted comments. He said he saw a number of problems under community amenities with the organization of that list. He said at the GPAC meetings the Belle Haven neighborhood expressed the position that some amenities listed under social service and improvements should be funded by the City of Menlo Park. He said the proposed City ordinance continued to list these amenities for funding by the developers. He said the list also failed to list items where synergies would enhance the value of the project outcome by lowering the risk of failure. He said an improvement for example would be to combine the grocery store, pharmacy, bank and ATM into a single project and locate it near Willow Road so seniors who will occupy the new Mid-Pen housing complex would be able to get there easily. He said another opportunity would be to combine job opportunities with job training, paid internships and scholarships. He said combining tree planting, telecom replacement, underground power lines and sidewalks into a single project – noting the former redevelopment agency (RDA) did all four of those along Hamilton Avenue, Willow Road and Chilco. He said streetscape improvement and community amenities should extend the work of the RDA for the remainder of the arterial streets in the neighborhood and include the streets designated as neighborhood collectors and bicycle boulevards on the reclassification map. He said under the draft zoning there were only three or four developers who would potentially contribute to community amenities. He said if those developers decided not to apply for density bonus FAR there would be no developer contributions for community amenities even as more commercial development continued. He suggested that every commercial development should contribute something to the community amenities fund. He said this would lessen the impact on any individual developer to finance the entirety of the requested community amenities. He said the current zoning requirement of a minimum three acre lot size to qualify for bonus FAR should be relaxed to one acre. He said conforming projects should contribute at a lower rate than FAR bonus projects resulting in a tiered structure for contributions. He said hotel project should contribute a portion of the transient occupancy tax (TOT) to a community amenities fund. He said he opposed property owner rights where a parcel owner could sell FAR to other parcel owners with essentially 100 percent pure profit. He said the FAR should be established by the zoning ordinance so guidelines were clear to avoid trading games when the neighborhood had weighed in on its desire regarding height. He said on the K-8 fund that funding for education should focus on either a new school district or the cost of integration to another existing school district other than Ravenswood. He said in either case the district lines should be redrawn so that all properties within current M-2 and Belle Haven would be in the same school district, noting the St. Anton properties were within the Redwood City School District. He said for the BMR housing threshold that the highest threshold in current zoning was for moderate income, a six figure income and that was the same for an entry level tech worker. He said allowing the techs to live in BMR housing would not solve the issue of gentrification in the neighborhood. He said for the new R-M-U district that the maximum height should be at 70 feet above natural grade. He said amenities should not be selected by the discretion of the Planning Commission and the Community Planning Director. He said instead a Master Plan should be developed with community input providing details on desired synergies, phasing and location options. He said regarding FAR that the City should adopt a deterministic formula for calculating the bonus FAR contribution so developers could assess from the beginning the total project cost rather than find out at the end. He said R&D facilities that use and store a minimum of hazardous materials should be an administratively permitted use. He said the letter he submitted would summarize the rest of the comments he wanted to make.

- Ms. Pamela Jones, Belle Haven resident, said when she looked at the zoning map she did not see her community remaining a family-friendly community. She said it would be important to

have three-bedroom units built as families have children of both sexes and need more bedrooms. She suggested that food, medications, education, job training and employment were not amenities but quality of life issues, and should be part of the Menlo Park Master Plan and not amenities that developers were responsible for. She said for affordable housing that all developers should be responsible for contributing to rentals and/or housing for the people of the east Bayshore community and not the new incoming people. She said with all of the businesses coming into the area that the City was receiving revenue. She said it was confusing that the community was trying to get money from the builders as opposed to having the City use its tax dollars for needed City services.

- Mr. Ryan Patterson, Facebook real estate team member, said as Facebook matured in Menlo Park that they were sharing many of the same challenges the community was experiencing especially with respect to housing, transportation, and education. He said they were optimistic about the future in Menlo Park and believed collectively working together, they could address the shared challenges. He said they believed flexibility around land use, FAR aggregation, building heights, massing and site design were very important and would support creating great places to work, live and play. He said height should be more flexible and buildings close to single-family homes should be lower in height but that they should not lose potential opportunities that height would provide on other parts of their campus. He said they supported aggregating FAR across uses and sites with the same ownership as that would promote better site planning and design. He said they were concerned that the first floor retail requirement might be too prescriptive. He said to provide amenities for those who live and work in Belle Haven and to ensure a successful place that the retail requirements should be more flexible. He said they supported policies that would create additional housing for all income levels. He said they believed the public benefit formula should be simple, predictable and designed for successful outcomes for Menlo Park and Belle Haven.
- Mr. John Tarlton, Tarlton Properties, said over the past 30 years, his company has worked with the City to create a burgeoning life science district resulting in significant contribution to the City's financial stream as well as a socio-economically broad job base with relatively low impact on City services. He said the comments and requested changes in the letter they submitted today were consistent with comments they had made in the process, and were intended to keep the best part of the existing district, such as the arboretum they created at Menlo Business Park, and to allow them to compete evenly with the other life science districts in the Bay area, particularly South San Francisco and Mission Bay. He said through this they would build on past successes to create a truly world class life science district immediately enhancing the Belle Haven neighborhood and also through the public benefit process. He said they encouraged the Commission to direct staff to make the requested changes and move forward on the successful updating of this General Plan update.
- Mr. Keith Ogden, Housing Attorney, Community Legal Services, East Palo Alto, said on April 11, 2016, they submitted a letter to City Planning Department with recommendations, especially the need for the creation of affordable housing. He said they urged the City to think critically about the current and potential displacement of current residents caused by economic growth envisioned by the process. He said he gave a talk at Beechwood School about general housing rights and the people attending wanted to talk about rent increases and their fear of being displaced. He said affordable housing should be aimed at creating affordable housing opportunities for people already living here and new opportunities so they don't displace low income residents holding onto the dwindling supply of still affordable housing. He said potentially over 10,000 new jobs would be created through this process and without adequate

housing these residents feared displacement. He encouraged 30% to 40% requirement for BMR housing noting a 25% requirement in Concord and 40% in San Francisco, and those units should be for families who currently live here and to also look at providing extremely low, very low and low income housing. He said his concern was how it would get built as he did not know if the currently proposed set of incentives would get that done or whether the base level should be reduced, the incentives increased, or actually requiring a certain level of rental. He said the anticipated growth included all the current residents.

- Mr. Richard Truempier, Vice President of Development for the Sobrato Organization, said they recently completed an office complex in the M-2 zoning district. He said they own approximately eight acres bounded by Constitution, Chrysler and Jefferson Drives that was currently designated in the update as R-M-U or residential mixed use. He said their property was at the tip of the M-2 and there were industrial buildings fully occupied. He said they were interested in creating the live, work, play community that was envisioned. He said with their site they would hope to build 500 for rent housing units and up to 150,000 square feet of office, which they understood would be permitted at the bonus level. He said they had some concerns that might prevent them from redeveloping their site. He said to clarify their concerns that he had submitted a letter to City staff which he understood had been distributed to the Commission. He said the letter provided suggestions and the rationale behind those suggestions. He said they supported affordable housing but needed that at 15% as anything greater would not be feasible for them. He said they would like to build rental housing and that was inherently more affordable than for sale housing. He requested that the height limits be adjusted to better allow for the densities outlined in the M-2 update. He said the M=2 has a high water table with its proximity to the Bay and to provide for sufficient parking for the densities outlined that structure parking was needed. He said the height limitations would require subterranean parking, which became prohibitive with the water table. He said the M=2 was in a flood zone area and they needed to take into account future sea level rise. He said they were supportive of LEED Gold for offices but suggested green to gold specifically designed for housing. He said they requested the City provide recycled water on a municipal wide basis and not require development to treat wastewater onsite. He said they were willing to provide solar panels on the roof tops to the extent feasible. He said they requested that residents in the M-2 not be required to pay a premium for utilities by requiring them to buy renewable energy. He said that would penalize residents who chose to live close to jobs. He said the policy created a competitive disadvantage to Menlo Park for retaining and growing companies.
- Mr. Douglas Oliver, Studio T Square in Oakland, said his was an architectural and urban design firm with significant experience in planning and delivery of multi-family and mixed use projects in neighboring communities. He said the Sobrato Group asked his firm to review the draft zoning language specifically in relationship to their property sandwiched between the Menlo Gateway projects. He said they had done several site studies and provided in depth comment to the draft zoning language. He said he had been involved with the M2 zoning process for about a year, attended multiple community meetings, spoke with Planning and Placeworks staff, and attended several GPAC meetings. He complimented the City on its thoughtfulness and careful attention to the pedestrian scale of the neighborhood and buildings contemplated in the code. He said as an architect and planner he agreed with most of the development standards. He said one major suggestion he could offer regarding the design standard regulations to help the City meet its goal of high density housing and align with the Sobrato's group intent to build was to raise the allowable heights to 55 feet for the base level and 85 feet for the bonus level in what was shown as Area 1. He said reasons for this in

addition to increased housing was existing water level, anticipated sea level rise, construction efficiencies and the context within the existing neighborhood. He said flood zone requirements meant future development would need to be seven feet above existing grade which was the loss of four units so raising allowable heights would create more housing. He said the current allowable heights were not tied to the California Building Code of Construction Types. He said allowing extra height would allow for all parking to be aboveground and hidden by the residential units. He said regarding context that this site will be surrounded by much taller buildings. He said there were no lower buildings or residences requiring transition and this area should be different from the rest of the R-M-U district. He asked that the City leave allowable height at 55 feet for the base level and 85 feet for bonus level in area 1 of the R-M-U district.

- Ms. Fran Dehn, Menlo Chamber of Commerce, said the ConnectMenlo process has included a series of meetings with a continuous thread of feedback provided by the GPAC. She said the Chamber reached out independently to the Belle Haven community, property owners and interested developers with a series of meetings. She said everyone involved was working toward the same vision and outcome of an updated Plan and renewed definition of land use in the M-2 while recognizing the attributes and needs of the Belle Haven neighborhood as a diverse and welcoming community. She said they hoped the Commission would recognize the need for the General Plan or any other plan to have flexibility, achievable standards and applicable goals. She said this 20 year plan would be the guide to an applied vision, and suggested that it not be so prescriptive that modifications suggested by changes in the economy, technology and/or the community's needs could not be accommodated. She suggested establishing a yardstick that automatically adjusted over time – perhaps standards would provide the base or the fulcrum and anything above that would be treated as bonus level. AS state standards change applicable to base standards, she suggested that they not burden the General Plan or individual projects with elements that could not be achieved.
- Ms. Susan Eschweiler, Principal Architect with DES Engineers, said she had worked in Menlo Park for several decades, was involved with the original Menlo Business Park and had worked on multiple projects in the M-2. She said she has mainly worked with Tarleton Properties and has participated in the ConnectMenlo, GPAC and Chamber meetings. She said they have been implementing the draft zoning to see where some of the impacts might be and have provided a packet of information related to that. She suggested contacting her if anyone had questions.

Chair Strehl closed the public comment.

Commission Comment: Chair Strehl read the first question on page 5 of the staff report regarding sharing FAR: should properties in close proximity to each other be allowed to share FAR?

Commissioner Barnes asked if close proximity included related or non-related entities. Principal Planner Chow said this evening they had heard a desire to share FAR within the same zoning districts, also to share by the same property owners which could be between different zoning districts. She said the Commission was asked to address whether sharing FAR was appropriate and if so defining the terms of that sharing.

Mr. Knox said there was at least one property where property lines were encompassing lands in multiple zoning districts and he was not sure if the request through the GPAC was to establish a total overall FAR and be able to move between zoning districts on a piece of property or not. He

asked if any of the Commissioners or attendees could clarify that request.

Chair Strehl asked if FAR increased heights. Mr. Knox said it wouldn't. He said he did not think there had been enough specificity in the requests for shared FAR for staff and the consultants to understand what was being requested.

Commissioner Barnes said he agreed. He said in concept he liked the idea but he couldn't identify specifically what was to be discussed, and whether it was for a specific project or an area.

Mr. Knox said that in general the answer was yes to the question whether the proposed zoning supported the idea that FAR could be shared across properties as the FAR was set for the entire M-2 and allocated to the various districts. He said the idea of sharing in that you could expect very different element patterns parcel by parcel was already inherent. He said at the most basic he understood a property owner might ask if his neighbor's FAR was available if the neighbor could not max out his property. He said he had sense that more was being asked but he was not exactly clear what.

Recognized by the Chair, Mr. Tarlton said he had two examples he thought were illustrative. He referred to Jason, the owner of CSBio, a local biopharmaceutical manufacturer, which business was quite space constrained. He said that FAR sharing in this instance could occur if CS-Bio and Tarlton entered into an agreement where CS- Bio was able to use more than 1.25 FAR on their site by participating in the construction of an offsite parking facility. He said another possible scenario related to properties on the south side of O'Brien Drive, which were currently limited to .55 FAR. He said with the understanding they were not going to raise anything above 35 feet and respecting the single-family residences immediately adjacent in terms of height, that these properties could receive FAR beyond .55 and still remain under the 35-foot height limit.

Recognized by the Chair, Mr. Patterson said Facebook was focused on the Prologics site they owned. He said they were trying to look at the site comprehensively and trying not to be artificially restrained by where some of the lines started for office and circulation within the site and looking for flexibility to plan the site at a master plan level.

Commissioner Kahle said he liked flexibility but felt what was being discussed was making what was already complicated more complicated. He said he was looking for a compelling argument that he would like to support but it sounded like it would make it too difficult to approve and get a project approved.

Commissioner Barnes said this concept would need to be zone wide and asked how it could be applied. Mr. Knox said it was not an appropriate role for the consultant at this point in the process to tell the Commission what should be done, noting that there was significant institutional memory of what has worked or not in Menlo Park. He said he was sympathetic and flexibility was great to build into planning. He said all who had gone through the GPAC process would remember they began with some designations for purposeful flexibility and were challenged by the public and other Commissioners on what that would look like. He said when projects come in whether master plans or individual projects on parcels, there was a need to adjust the location of things, a facility, a street, a paseo, the boundary between or zonings. He said most likely that could be done within the structure of the General Plan and tier off its EIR. He said looking at the Prologics site and the district lines drawn was the result of a long discussion by GPAC that they needed a greater pedestrian scale along Willow Road but moving back further height could be accomplished.

Commissioner Riggs disclosed that he had spoken with Mr. Tarlton, Mr. Patterson and two or three residents prior to the meeting. He noted the example of increased FAR at one site and the building of parking on another site as he thought flexibility for something like that could be built into the Plan. Principal Planner Chow said parking garages were not included in FAR calculations however.

Ms. Prince said regarding FAR one example or type relative to the Life Science district was a out a transfer of development rights or TDR. She said that would require much more thought for if transferring development rights between different property owners and between different pieces of property then a mechanism was needed to record against certain properties. She said she understood from Facebook as a single-property owner who owned multiple properties adjacent to one another and deemed developed that within that limited framework they could have the flexibility of sharing FAR.

Chair Strehl asked if there was any consensus around sharing FAR. Commissioner Barnes said he would like to be supportive of a sharing mechanism that looked at contiguous properties by the same ownership or entity. He said establishing a TDR mechanism was an in-depth process and would need more consideration. Commissioner Goodhue said she agreed. She said a property owner with contiguous properties that straddled different zoning should have some possible mechanism for master planning purposes to shift the development without changing the zoning. Commissioner Kahle said he agreed with sharing FAR for one property owner and contiguous properties. He said they also could merge lots and noted that otherwise he thought it could get complicated too quickly. Commissioner Goodhue said she did not support the idea of different property owners selling air rights.

Chair Strehl asked in the case of contiguous properties and one owner whether that could potentially increase height along Willow Road. Mr. Knox said height was capped at four stories along Willow Road. Chair Strehl said she could support the definition made by Commissioner Barnes and confirmed with staff that this was for inclusion in the final draft zoning ordinance and preparation of the EIR. Chair Strehl confirmed the draft EIR would be considered by the Commission later in the summer. She confirmed there was agreement among Commissioners about sharing FAR.

Chair Strehl opened discussion on the next question regarding development potential (FAR) with the question: should the maximum allowed FAR in the R-MU be increased beyond 200% to accommodate more three bedroom units?

Commissioner Kahle said the ability to support three-bedroom units was ideal. He asked about the derivation of the 200%. Mr. Knox said the number of residential units being studied in the EIR was 4500, with 2000 along Willow Road on the east side, 1500 more likely dormitory style housing on the Facebook campus, and 1000 more units along Constitution, Chrysler, and Jefferson Drives, which was the more likely place for larger units. He said they had much discussion at the GPAC on how to balance and give people who work in Menlo Park the opportunity to live there. He noted the developers in the room did not see the need to go beyond 200%.

Chair Strehl suggested if no one was asking for this increase that it should be taken out of consideration.

Chair Strehl opened discussion on heights with the question: should adjustments be made to the base and bonus level maximum heights and average heights to accommodate additional sea level rise and flood zone requirements and to match construction types.

Mr. Knox made some clarifying remarks about stories and height, 10-foot increase for building in flood zone, or subject to coastal or inland flooding, or sea level rise.

Chair Strehl said she thought there was a distinction about residential development and the height limit along Willow Road. She said on Jefferson Drive, the Sobrato property was much further away from residential and not as impactful to residential. She said she did not know if Facebook was asking for higher structures than what was offered in the General Plan current zoning.

Mr. Patterson said they were looking for flexibility and were very early on in the master plan process. He said they understood Willow Road was a special area with its own set of challenges and they would not propose any higher heights along Willow Road. He said they were looking at areas set back from Willow Road and the opportunities that height might bring and variation thereof for design opportunities.

Mr. Truempler said to clarify their property in the future would be surrounded by Menlo Gateway. He said their request for height was to achieve the densities outlined and not have to have parking underground. He said without it they would only be able to do 65 units as opposed to the allowable density of 100 units per acres. He said as part of the mixed use component they would have an office component which they were considering at five stories. He said there were different product types and stories had feet as well. He said they were asking for extra feet and it was partly contextual and the densities they were trying to get to. In reply to Chair Strehl, Mr. Truempler said part of the desired height included the 10 feet increase which was why they wanted to bring the parking and the residential out of the high water table and flood zone.

Replying to Commissioner Barnes, Mr. Knox said the 10 foot for flood zone consideration was built into the heights. He said residential height had been suggested to increase from 40 to 50 feet, or to 45 feet height as suggested by Mr. Oliver, at the base level and from 70 to 80 feet at the bonus level. He said what was being looked for at the bonus level for R-M-U he thought was 10 feet for flood protection and 75 feet or 85 with seven stories which would accommodate 100 units per acres rather than the 65 units mentioned. He said it was awkward but a different situation than on Willow Road. He said as Mr. Patterson from Facebook pointed out that they might consider something different but at a distance from Willow Road. He said when the GPAC talked about height there was a visceral understanding of stories with the example of the Facebook Building 20 that was technically one-story and 75 feet in height.

Commissioner Riggs asked if state density bonus was applied after all of the City zoning was accommodated. Mr. Knox said he would defer to City Attorney Prince but noted that in that case the builder would need to tier off or supplement the EIR if the result was more development or floor area than was studied.

Ms. Prince said a developer could seek to apply the state density bonus law regardless as long as they complied with the City's state density bonus ordinance. She said the state law allowed that if you provided a certain percentage of BMR units you would receive a certain percentage of density increase. She said the applicant would make a proposal for the waiver or the incentives or concessions they wanted, and ultimately it was somewhat of a negotiation process.

Replying to Commissioner Riggs comment that height was constrained by adjacency to residential, Mr. Knox said with one exception. He said what was being requested was the bonus level in R-M-U as it was penned in by the larger M2 area with entitled development. He said the GPAC had not

recommended taller height in any areas adjacent to residential.

Commissioner Kahle confirmed that the 10 foot for flood zone was included in the suggested increased heights and they were being asked to consider the heights and stories. Chair Strehl noted that Commissioners Barnes and Riggs had confirmed buildings adjacent to residential would not have increased heights. Commissioner Riggs added that applied to residential across large right of ways as well. Mr. Knox said unless directed otherwise they would review the EIR map and limit the height on Willow Road to no more than four stories. Chair Strehl said there seemed to be consensus on Willow Road constraint on height. She said she thought there was consensus about allowing increased height for the R-M-U area bounded by Menlo Gateway.

Commissioner Barnes asked if that was exclusive of the hotel use. Mr. Knox showed the slide of the area with three options for hotels in the O district. He referred to the request for increased heights for hotel. Commissioner Kahle said he could support the residential height increase. Chair Strehl said being along Bay Road that hotels with that increased height would be too much taller than surrounding buildings. Commissioner Riggs said he agreed with Commissioners Kahle and Strehl. Commissioner Barnes said the third tier was discussing a base level height increase that he did not think they discussed. Mr. Knox said he thought the direction was yes to 10 feet across the board for flood protection and sea level rise, a yes to the 60-feet that included the 10 -feet for base level in R-M-U; and 85 feet including the 10 feet flood for bonus level in R-M-U but only for the Jefferson Drive area between the two Menlo Gateway sites. Commissioners Kahle and Strehl agreed with that.

Commissioner Riggs said he had an issue with the base level for the O district as its southern edge went along the rail line across from the back of which at an average 20 feet were one-story homes in Lorelei Manor and Suburban Park. He said currently there was only one building that exceeded one story at Marsh Road and that was visible from within the Lorelei neighborhood. He said they had worked to protect Belle Haven homes from Facebook West and asked if that had been built into the O district for this residential area. Mr. Knox said to really incentivize the base to bonus level and get the community amenities was through taller construction in the R-M-U. He said increased height at the base level worked against that. He said south of O'Brien Drive the community purposely decided to keep the triangle between Marsh Road, 101 and Dumbarton Rail on the back side of the tracks from Suburban Park and Lorelei Manor lower for the same reasons. Commissioner Riggs asked how that was codified. Mr. Knox said the zoning was O without the -B and was base level building in that whole area.

In response to Commissioner Riggs' question as to where height was limited there to 45 feet, Mr. Knox reminded him of the 10-foot height increase across the board suggested to address flood zone and sea level rise. He showed a map of expected sea level rise year along the front of parcels subject to sea level rise but noted not so much for Lorelei Manor and Suburban Park.

Commissioner Riggs asked if he had a conflict of interest as he lives in Lorelei Manor. City Attorney Prince said they would need to determine if his property was within 500 feet of this area. Commissioner Barnes said he might have a conflict as well.

Chair Strehl asked if they were comfortable with providing the 10-foot increase for the base and the bonus and have staff come back with a map indicating properties in the flood zone or subject to sea level rise and those which weren't. Mr. Knox said that they could look at the small triangle area to see if it should have the 10 foot protection or not. He said in regards to Commissioners Barnes and Riggs' question about conflict of interest that in his experience with general planning

that unless a member had a direct conflict of interest from owning a property or working for a company that stood to benefit from something more directly than just living relatively nearby, it was typically all right to participate. He suggested if there was any question for the two Commissioners about this area, that they leave the decision in abeyance. He said they would do the research and see if it was necessary for the 10 feet increase in the area. He said also they could review any issues of conflict of interest. Commissioner Riggs said to be cautious he would like to do that.

Mr. Knox confirmed that the Commission was supporting a 10 foot increase across the board for areas in flood zone, or subject to flooding or sea level rise, and the 85-feet for the seven stories for the bonus level in the R-M-U district between the Menlo Gateway parcels, and were saying no to the proposed increase to hotels to 130-feet and 12 stories.

Commissioner Riggs said in looking at the colored map for Willow Road it appeared that immediately adjacent to Willow Road the building maximum height was three stories and behind that four stories. Mr. Knox said there was discussion at the GPAC meetings about favoring three stories there unless a front story of ground floor retail could be tucked in to supplement it. He said Mid-Pen might or might not be able to do that. He said in the last discussions with Facebook, they were primarily thinking about the Prologics site and that there was a reasonable chance that retail might be provided for some of that length, particularly a grocery store at the corner. He said if the developer could provide a ground story level of retail that allowed for four story construction along Willow Road. He said if it was just ground floor residential than it was three stories as discussed through the GPAC. Commissioner Riggs said he thought the goal was in those lots, which he thought were 100 feet deep, was the buildings would step down at the rear across from the backyards of single-story homes. Mr. Knox said that was correct and noted if Mid-Pen on the northwest of Willow could build four stories and accommodate retail on the ground floor that the building at the rear would be three stories.

Commissioner Riggs said for El Camino Real that they were allowing three to four stories along it but to the rear where backing up to single-story home it had to reduce to two stories. Mr. Knox said for the Mid-Pen property there was actual physical distance between the rear of the proposed building and the residences behind the site. Commissioner Riggs said the same logic should be applied along Bohannon Drive starting with the post office and continuing along those three blocks. Principal Planner Chow said that the proposed draft ordinance for the O district showed the maximum base level height was 35 feet and not 45 feet. She said for the R-M-U that the base level height was 40 feet. She said the property across Willow Road, though reflective of mixed use, was remaining at R-4-S zoning.

Mr. Knox to clarify said the consensus heard thus far from the Commission was to allow 10-foot increase for flooding issue and the bonus level in R-M-U between the two pieces of Menlo Gateway to what was requested. Chair Strehl confirmed that the Bohannon properties from 101 to the railroad right of way would be reviewed as to whether they are in an area with expected sea level rising. Mr. Knox said that was correct.

Chair Strehl asked if the Commission was in agreement with what Mr. Knox had confirmed, and that they were not in agreement with any increase in height for hotel. Principal Planner Chow asked if the Chair could restate the Commission's agreed upon recommendations. Chair Strehl said they reached consensus that an additional 10-feet would be allowed for the base and bonus for the R-M-U in the Jefferson Drive area, commonly known as the Sobrato property. Chair Strehl recognized Mr. Knox. He restated that the Commission supported a 10 foot increase for all of the M-2 except for the area including the Bohannon south parcels as it was projected it might not be

impacted by potential sea level increase. Principal Planner Chow said there was a specific increase for the R-M-U area on Jefferson Drive and nothing for properties along Willow Road. Mr. Knox said they were clear on the Jefferson Drive area for the 85 feet and seven stories for the R-M-U. He said what he was suggesting on the 10 feet was that the entire area was susceptible to flooding and the only place there would be no increase was area clearly marked as not susceptible for flooding. Principal Planner Chow said she heard no increase for hotel. Mr. Knox said the 10-foot was a blanket coverage for the whole area except that clearly marked as not in flood area. He said it was not the height of the building but where they would measure for flood protection and that was from 10 feet above the average grade.

Principal Planner Chow said to clarify the hotel height was 110 feet and 10 stories and with the 10-foot flood zone protection increase, the allowable height would be 120 feet and 10 stories, and not 130 feet and 12 stories.

Commissioner Strehl said the next question was regarding affordable housing (community amenities): should residential development be required to provide community amenities in addition to the 15% affordable units required as a threshold for bonus level development? Should the threshold percentage of affordable units be higher than 15%?

Commissioner Barnes asked regarding affordable housing what the correlating bonus percentage would be for the 15% affordable units. He said there was the issue of time value and money and contributions made over a period of time when contributing as a community amenity rather than as an upfront payment whatever the percentage was. He said he would like to understand more of the economics around that.

Mr. David Shiver, BAE Economics, said the 15% was triggered when going to bonus development level across the whole project. He said in addition to achieving that there was some residual project value that could be contributed to community amenities. He said with the question of timing and the time value of money issue for amenities, he said probably you would want to normalize it through some calculation of the net present value of the community benefit. He said if one applicant chose to pay upfront and another over a period of years, you would want the dollars to be equal in terms of current dollars. He said that could be incorporated into the community benefits program.

Commissioner Barnes asked about the model as to the percentage of affordable housing and contribution, and making sure different project types were making like and similar levels of contribution to community amenities. Mr. Shiver said part of that would be addressed when the linkage study for community amenities was done to set the charges by exploring whether the economics varied across the product types, and the district and land use types. He said in the work he has done there was not a big difference between office and residential. He said with life science in the mix the City might want to explore that as part of the implantation of community benefits and the impact fee analysis.

Commissioner Riggs said there were a number of encumbrances associated with residential development. He said at this point he did not believe he could support anything being proposed in this area. He asked about the preparation of the nexus study. Mr. Knox said the appraisal process proposal was to try to make relevant to the time period in which a project was proposed the attachment of the value that should be captured. He said the goal was to make it so both the timing and the method would incentivize and be fairly simple to accomplish. He said he thought the appraisal process was an even kind of way to determine fair share for amenities.

Chair Strehl said if a developer did not want the bonus level then there was no affordable housing or community amenities provided. She said the goal should be to incentivize affordable housing. She said there was likelihood that Menlo Park would adopt inclusionary zoning regulations that would require all developments to provide 15% BMR rental housing. Principal Planner Chow said currently the City has inclusionary zoning for purchase units that included 15% for moderate income housing. She said the City was preparing a nexus study that would look at rental housing as potentially assessing an impact fee that would be applied to rental housing.

Chair Strehl said it would either be a fee or required percentage of certain amount of BMR rental housing. Principal Planner Chow said there could be an impact fee or equivalent amount of BMR units. Chair Strehl said if there was a 20% requirement for BMR units in a development at the bonus level, the City could then have additional fees for inclusionary zoning purposes plus require a community amenity fee. Ms. Prince said inclusionary housing currently applied only to housing for sale. She said for bonus level projects whether for sale or rental, an impact fee based on a nexus study could be applied. She said regarding density bonus that 15% BMR units would be required in exchange. She said addition the state density bonus law could be applied as well.

Chair Strehl said her concern and Commissioner Riggs' was putting the requirement for community amenities on top of whatever percentage of BMR units would be required as that would be prohibitive to developers building at the bonus level. Ms. Prince said as currently drafted a threshold question for rental projects was if they entered the bonus level they would need to provide 15% BMR. She said as currently structured whatever additional percentage might be necessary is linked to that appraisal value.

Commissioner Barnes said looking at this specific question he would rather have the provider of residential housing provide whatever community benefit being provided as affordable units. He said how that number gets determined through the economics of the deal was fine. He said the residential developer should provide amenities for all of the units evenly however that scaled up and down from an economic value stance. Commissioner Kahle indicated his agreement. He said a requirement for 15% BMR units was too low but he thought 30% seemed high. He suggested 20%. Chair Strehl said she also agreed with Commissioner Barnes that the community amenity would be BMR units.

Mr. Jim Cogan, Housing and Development Manager, said staff would bring the nexus study forward in June or July depending on the budget work. He said the Commission and Council would see it well before consideration of the General Plan update

Commissioner Barnes asked for information on the location of BMR units. Mr. Cogan said discussion at Housing Commission, Planning Commission, and City Council was to encourage the BMR units throughout the City. He said it made sense to have BMR units downtown and close to the transit hubs.

Chair Strehl said she did not support additional fees beyond the percentage of BMR units required as it would not incentivize housing and they would not get the BMR housing they wanted and needed. She questioned how they came to the concept of 50% increased value as the GPAC did not reach concurrence on that. Mr. Knox said the proposal came from a very simple idea that the increase in development rights created a value and that would be shared equally between the developer and the community. He said it did not develop any further than that, and one of the issues that came up working with the City Attorney was its arbitrariness, as it probably would make

more sense to have some kind of proportionality between the obligation to provide certain things and what that cost.

Chair Strehl said when they look at any property whatever the zone regarding community amenities, it could be part of the project, an impact fee or have a development agreement. She asked where the bonus value calculation fit within the three methods noted. City Attorney Prince said they might need to determine bonus value prior to completion of the nexus study and that was why the 50% appraisal process approach was proposed. She said they were open to thoughts and comments on that. Chair Strehl said she was concerned and thought the 50% was arbitrary. She asked how what a project would provide in value with something like LEED Gold would be accounted for in an appraisal.

Commissioner Riggs said there was no acknowledgment of the risk factor for developers. He said if you put forth a project that had a number of encumbrances on it whether from zoning, unpaid taxes, or cost of utility connections, and the investors find your rate of return lacking, there was no project. Mr. Shiver said appraisers could be given appraisal instructions listing all the issues to be addressed in the appraisal, disclose any information pertinent to that process, which would include all the fees and any extraordinary development issues costs known in the district, and presumably look at the market cost that would reflect the risk level anticipated by the market for purchasing land for development.

Commissioner Barnes said the percentage should have a separate discussion. He said one of the goals of this entire process was transparency and ease of development. He said the three methods of providing community amenities were difficult. He raised the point of ownership of a community amenity built by a developer and its operation, maintenance and profitability.

Chair Strehl asked if there was any discussion on increasing the BMR percentage to 20%. Commissioner Riggs said he was not sure if there was a benefit in raising the percentage if the requirement meant the cost of the other units were increased to offset. Commissioner Barnes said he did not feel qualified to set a required percentage of BMR units as more data and analysis was needed. Mr. Knox suggested that would come through the nexus study. He suggested allowing them to look at what was available on the market and come back to discuss potential co-existence with a fee. Commissioner Riggs suggested that when it came back that it would have been reviewed as affordable housing, low income housing and very low incoming housing as that would impact the determination of the percentage.

Chair Strehl opened discussion on the community amenities list, noting Mr. Bims' comments. Mr. Knox said Mr. Bims suggested excluding library improvements, senior service improvements, the restroom at the Harris Community Center, and pool house remodel at Belle Haven. He said Mr. Bims also suggested trying to combine some of the amenities with synergy and reducing the risks of failure; for example, combine the grocery store, pharmacy, bank and ATM into one project; to provide job opportunities, job training, internships and scholarships; combine tree planting, telecom replacement, underground power lines and sidewalks into a single project. He said that would not be exclusive but staff and consultant team would support those ideas. He said Mr. Bims last point was that hotels in M2 should contribute a portion of their TOT to community amenities. Chair Strehl said that would go into the general fund and then it was up to the Council to determine what it funded. City Attorney Prince said some things could be developed through the impact fee and others could be built or funded through the development agreement process. Chair Strehl said she liked Mr. Bims idea to have a master plan and have Belle Haven residents participate more actively in determining those amenities rather than just through the Community Development Officer and

the Planning Commission. Commissioner Riggs noted Mr. Bims closing comment about the Dumbarton rail was particularly insightful. He said traffic impact on Willow Road and the Expressway was a regional problem and a citywide problem for those who trying to get into or out of Menlo Park. He said it was also about finding affordable homes for the many new employees working in Menlo Park or Mountain View to take some of the pressure off of rents in Belle Haven and Suburban Park. He said he thought the community amenities had to be ranked so that the most important items could get done.

Chair Strehl said she would agree with his comments on the Dumbarton Rail but it was more than Menlo Park could provide as it included other jurisdictions and would require state and federal funding. She said it was admirable that Facebook initiated a study to look at options and once that was done Menlo Park would have a better sense of costs and what it could do.

Mr. Knox said that they had good input from the Commission and Mr. Bims to work on the amenities list.

Commissioner Barnes said he would like to get to a good level of comfort that the list that came back had statistical integrity, was representative, and a good cross section.

Chair Strehl said regarding energy, water and recycled water, and bird friendly design, she thought the last should be handled on a site by site basis rather than setting a requirement in an ordinance. Principal Planner Chow said there were certain requirements and they heard a desire for more flexibility and to take into consideration location and proximity to the Bay. She said in the newest revision there was a provision to allow for an analysis to be done by a qualified biologist to determine whether or not there was any potential impact.

Chair Strehl asked about the cost of purchasing renewable energy per unit. Heather Abrams said an estimate from the Peninsula Clean Energy consultant was approximately one cent more per KWH. She said there was more to be reviewed. Chair Strehl asked if other cities required 100% renewable energy. Ms. Abrams said the City of Palo Alto's Municipal Utility provided 100% renewable energy through a number of means. She said Redwood City did not require. She said all 22 San Mateo County cities had committed to join Peninsula Clean Energy. Commissioner Strehl said her concern was that they were not overburdening development.

Commissioner Barnes asked if Mr. Tarlton might address what the impact of 100% renewable energy costs would be for Life Science tenants. Mr. Tarlton said energy charges for the Life Science tenants ranged from \$0.20 per square foot to over \$0.50 per square foot per month depending on the type. He said if the additional cost of doing clean energy was nominal it would not create a competitive disadvantage for them with South San Francisco and Mission Bay. He said without the proposed coalition today's cost through PG&E was \$.035 per KWH and that was a 20% increase which he could not put on his tenants.

Commissioner Riggs read questions he had prepared for the meeting noting he did not expect answers this evening. How does a developer access alternative water source for non-potable water uses for irrigation and toilets as there was no system in place; why are interior alterations included as a trigger for street improvements; would bird-friendly glass be needed within the interior of large parcels as opposed to bay frontage; Facebook East is fully parked – how can we take three segments of their parking and rezone it for housing; why do we apply café street scene setbacks in Life and Science zone; why are streets taken from private property and excluded from their FAR calculation unless paseos; what was the importance level of undergrounding utilities in

the Life Sciences and Office zones- how did it become one of the top five priorities; design standards – how do I add 10,000 square foot to an existing building with a 90 foot setback from the street and meets the setback standard of no more than 30 feet; and what if an existing grove of trees was within a 60-foot setback. He said it would be good to have discussion about the design section.

Mr. Knox said they had answers to all of those questions and they with staff could prepare something informational to go out by email over the next couple of weeks to the Commissioners.

## **H. Regular Business**

- H1. 2016-17 Capital Improvement Program/General Plan Consistency:  
Consideration of consistency of the 2016-2017 projects of the Five-Year Capital Improvement Plan with the General Plan. ([Staff Report #16-040-PC](#)).

Assistant City Manager Chip Taylor said he was filling in for Public Works Director Justin Murphy. Commissioner Goodhue said at previous meetings they had gotten priority lists that were color coded. She asked if the project listed were all deemed priorities.

Mr. Taylor said the list did not show multi-year projects already approved. He said the projects shown were working their way forward, noting that the City Council had adopted their work plan for the year, which had 70-80 items that were projects.

Commissioner Barnes asked what the prioritization was. Mr. Taylor said when the Plan was created many of the projects tended to be infrastructure projects developed through planning efforts in prior years; he said the street resurfacing program was an example. He said sometimes the Council wants to do something particular such as a traffic calming study.

**ACTION:** Motion and second (Riggs/Goodhue) to make the finding that the 2016-2017 projects of the Five-Year Capital Improvement Plan are consistent with the General Plan; passes 5-0 with Commissioner Combs and Onken absent.

## **I. Informational Items**

- I1. Future Planning Commission Meeting Schedule.
- Regular Meeting: June 6, 2016
  - Regular Meeting: June 20, 2016
  - Regular Meeting: July 11, 2016

## **J. Adjournment**

Chair Strehl adjourned the meeting at 11:20 p.m.

Staff Liaison: Deanna Chow, Principal Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on June 20, 2016