



REGULAR MEETING AGENDA

Date: 10/19/2016
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 September 12, 2016 Planning Commission meeting. ([Attachment](#))

F Public Hearing

- F1. City of Menlo Park/General Plan and M-2 Area Zoning Update, including a General Plan Amendment, Zoning Ordinance Amendment, Rezoning, Environmental Review:

The City is proposing to update the Land Use and Circulation Elements of the General Plan, including revised goals, policies and programs, the establishment of new land use designations, and the creation of a new street classification system. The General Plan Update seeks to create a live/work/play environment that fosters economic growth, increased sustainability, improved transportation options and mobility, while preserving the existing residential neighborhood character and quality of life enjoyed today. The land use changes are generally focused in the M-2 Area (which is primarily the existing industrial and business parks located between Bayfront Expressway and Highway 101) and could result in an increase in development potential above what would be allowed under the current General Plan, as follows:

- Up to 2.3 million square feet of non-residential space;
- Up to 4,500 residential units; and
- Up to 400 hotel rooms

This additional development potential in the M-2 Area, combined with the remaining development potential under the current General Plan, would result in a total of up to 4.1 million square feet of non-residential development and up to 5,500 residential units in the City.

The Planning Commission will consider and make recommendations to the City Council on the following:

1. General Plan Amendments: Incorporate the updated Land Use and Circulation Elements into the General Plan. Change the General Plan land use designations of properties in the M-2 Area to one of the following designations - Light Industrial, Office, Life Sciences, Mixed Use Residential, Baylands and Public Facilities. No land use designation changes are anticipated outside of the M-2 Area and Baylands Area.
2. Zoning Ordinance Amendments: Create three new zoning districts in the M-2 Area for consistency with the proposed General Plan Land Use Element. The proposed zoning districts include Office (O), Life Science (LS) and Residential-Mixed Use (R-MU) designations. The O district includes overlays to allow hotels (O-H) and corporate housing (O-CH). Overlays for bonus level development are also proposed in the Office, Life Science and Mixed-Use zoning districts (O-B, LS-B, and R-MU-B). In addition, proposed changes to the C-2-B (Neighborhood Commercial District, Restrictive) zoning district would allow for residential uses with up to 30 dwelling units per acre and heights of up to 40 feet for mixed use development. The zoning ordinance amendments also include proposed modifications to streamline the hazardous materials review process as an administrative permit, subject to the review and approval of the Community Development Director (or designee) when certain criteria are met, and other minor modifications, such as allowing administrative review for architectural changes in the O and LS districts similar to current regulations for the M-2 district, changes to the nonconforming uses and structures chapter, and other minor text amendments for consistency in implementing the proposed changes to the M-2 Area.
3. Rezoning: Rezone property in the M-2 Area to one of the following zoning designations for consistency with the proposed General Plan land use designation amendments – O (Office), Office, Hotel (O-H), Office, Corporate Housing (O-CH), Office, Bonus (O-B), Life Science (LS), Life Science, Bonus (LS-B), Residential Mixed Use, Bonus (R-MU-B), Public Facilities (P-F), and PF (Flood Plain).
4. Environmental Review: Review of the Final Environmental Impact Report (EIR) prepared for the General Plan and M-2 Area Zoning Update, which analyzes the potential environmental impacts of the General Plan and M-2 Area Zoning Update.

([Staff Report #16-083-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: October 24, 2016
- Regular Meeting: November 7, 2016
- Regular Meeting: November 14, 2016
- Regular Meeting: December 5, 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: 10/14/16)

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: 9/12/2016
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 7:01 p.m.

B. Roll Call

Present: Andrew Barnes, Drew Combs (Vice Chair), Susan Goodhue, Larry Kahle, Henry Riggs, Katherine Strehl (Chair)

Absent: John Onken

Staff: Deanna Chow, Principal Planner; Yesenia Jimenez, Associate Planner; Kaitie Meador, Associate Planner; Thomas Rogers, Principal Planner; Corinna Sandmeier, Associate Planner; Tom Smith, Associate Planner

C. Reports and Announcements

Principal Planner Rogers reported that September 1 and 7 public meetings on ConnectMenlo were well attended and included people who had not participated previously. He said the City Council at its September 13 meeting would consider for acceptance a proposed agreement term sheet for the 1300 Station project.

Replying to a question from Commissioner Combs, Principal Planner Rogers said the first EIR of those pending to be released would be for the Facebook Expansion project with an expected release date of September 15. He said the Planning Commission would consider that EIR at its September 26 meeting. He said the Final EIR for ConnectMenlo was expected for release mid-October with the Commission reviewing it in late October.

D. Public Comment

- Tim Richardson, neighbor of 1045 Trinity Drive that was on the agenda and now shown as continued, said he had attended the meeting because that item was on the agenda and he had not been notified that the item would be continued to a future meeting.

Replying to Mr. Richardson's question as to why it was continued, Principal Planner Rogers said staff had found the application was not complete. He said prior notice would be provided to neighbors when the item was agendized again for the Commission's consideration.

E. Consent Calendar

ACTION: Motion and second (Goodhue/Kahle) to approve consent calendar (Items E1, E2 and E3, as presented; passes 6-0 with Commissioner Onken absent.

E1. Approval of minutes from the August 15, 2016 Planning Commission meeting. ([Attachment](#))

E2. Architectural Control/Ted Wegner/35 Hallmark Circle:

Request for architectural control to make exterior modifications to the front, right side, and rear elevations and enclose an existing recessed area of an existing townhome located in the R-E-S(X) (Residential Estate Suburban, Conditional Development) zoning district zoning district. ([Staff Report #16-073-PC](#))

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. 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 property is not within any Specific Plan area, and as such no finding regarding consistency is required to be made.
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 Wegner Construction, consisting of eleven plan sheets, dated received August 25, 2016, and approved by the Planning Commission on September 12, 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, 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. 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.
4. Approve the architectural control request subject to the following **project-specific** condition of approval:
- a. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a complete application for easement(s) for all proposed or existing balconies intruding into the common area, subject to review and approval of the Engineering Division. The easement(s) shall be approved and recorded prior to the issuance of the building permit

E3. Sign Review/DES Architects and Engineers/1020-1080 Marsh Road:

Request for sign review for two monument signs on one street frontage, and one monument sign for each building for a total of six monument signs, where only one monument sign per street frontage is allowed. The signage would be located on a lot with four buildings in the M-2 (General Industrial) zoning district. ([Staff Report #16-074-PC](#))

- 1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
- 2. Make a finding that the sign is appropriate and compatible with the businesses and signage in the general area, and is consistent with the Design Guidelines for Signs.
- 3. Approve the sign review request subject to the following **standard** conditions of approval:
 - a. Development of the project shall be substantially in conformance with the plans provided by the applicant, consisting of 22 plan sheets dated received August 23, 2016, and approved by the Planning Commission on September 12, 2016, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. The applicant shall comply with all West Bay Sanitary District, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project

F. Public Hearing

F1. Use Permit/Clara Ting/1045 Trinity Drive:

Request for a use permit to demolish an existing two-story, single-family fire-damaged residence and construct a new two-story, single-family residence with a basement on a substandard lot with regard to lot width in the R-E-S (Residential Estate Suburban) zoning district. *Item continued to a future meeting.*

F2. Use Permit/Janaina Almen/828 Hamilton Avenue:

Request for a use permit to allow construction of a two-story residence on a substandard lot with regard to lot width and area, in the R-1-U (Single-Family Urban Residential) zoning district. The proposal, which includes retention of a small portion of the existing first floor, would exceed 50 percent of the existing floor area and is considered equivalent to a new structure. (Staff Report #16-075-PC)

Staff Comment: Principal Planner Rogers noted that the project architect was attending via telephone and that the property owners were present. Associate Planner Sandmeier said staff had no additions to the written report.

Applicant Presentation: Mabel Yeung, Yeung Architecture and Design, said one part of the existing roof would be used to house the garage and a workshop; the new garage would require a new curb cut; and the new two-story portion would have a split gable roof, and in between, a series of clerestory windows. She said developable space was limited on the site due to the substandard lot width, the corner lot setback, the flood plane elevation and daylight requirements. She said to reduce massing part of the second story would be enclosed within the roof volume with added ceiling height and daylight to the second story. She said they wanted to keep the curb cut on the Hamilton Avenue side for the use of picking up and dropping off the property owner's disabled mother. She said a second parking space would be in the rear yard opposite the garage. She said the finishes included a combination of horizontal wood siding with natural wood finish and stucco with a specialty paint system to resemble natural concrete. She said the windows were high quality composite Anderson windows and recessed to provide depth and interest.

Commissioner Riggs asked if a ramp would be provided for the disabled resident. Ms. Yeung said the property owners would use a stair climber when needed.

Chair Strehl asked about the mother's ability to access the second story. Ms. Yeung said currently the mother could do that with assistance.

Commissioner Kahle asked what the hatching near the front door referred to. Ms. Yeung said that indicated fascia for the roof or the band. Commissioner Kahle asked if it was a wood band that was painted. Ms. Yeung said either a wood band or form trim.

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

Commission Comment: Commissioner Combs asked when a driveway was moved whether the applicant was required to remove the associated curb cut. Associate Planner Sandmeier said that was determined case by case. She said additionally that municipal code stated that only one car might park in a space not leading to a garage or carport. She said this property would have one

uncovered parking area in the back and that space did not lead to a garage or carport so parking in the front area would not be permitted.

Commissioner Kahle said the design kept the overall height down and within the daylight plane noting the flood plane requirement. He said he had trouble supporting the project as the existing garage looked like an addition to the house and there was a mixture of roof styles. He suggested as there were not many two-story homes in the area that this house on a prominent corner would set a good example if it had a better design.

Commissioner Riggs said due to neighbor concerns with parking for past Belle Haven project applications that he would need the curb cut on Hamilton Avenue removed and parking kept to the Carlton Avenue side for him to support the project.

Commissioner Kahle said he agreed with Commissioner Riggs regarding the curb cut.

Commissioner Riggs moved to approve as recommended in the staff report with the modification that the Hamilton Avenue curb cut be removed. Commissioner Combs seconded the motion.

Principal Planner Rogers asked if the motion included removal of some pavement and gravel on the existing Hamilton Avenue driveway to be replaced with landscaping and a walkway. Commissioners Riggs and Combs as the maker of the motion and second said that was correct.

ACTION: Motion and second (Riggs/Combs) to approve the item with the following modification; passes 5-1 with Commissioner Kahle opposing and Commissioner Onken absent.

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 Yeung Architecture and Design, consisting of 13 plan sheets, dated received August 22, 2016, and approved by the Planning Commission on September 12, 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** condition:
- a. Simultaneous with the submittal of a complete building permit application, the applicant shall submit revised plans showing all fencing outside of the right-of-way and complying with Zoning Ordinance Section 16.64.020, subject to review and approval of the Planning Division
 - b. Simultaneous with the submittal of a complete building permit application, the applicant shall submit revised plans showing the removal of the existing curb cut along Hamilton Avenue and the replacement of the existing driveway and gravel area with landscaping and a walkway to the entry door, subject to review and approval of the Planning Division.**

F3. Use Permit/Phillip Mazzie/140 Royal Oak Court:

Request for use permit for excavation to construct a new retaining wall within the required 20 foot rear setback in the R-1-S (Single Family Suburban Residential) zoning district. ([Staff Report #16-076-PC](#))

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

Applicant Presentation: Richard Gallo, Bayscape Landscape Management, said the request was for grading of the rear yard to provide more usable space including a bocce ball court.

Chair Strehl noted this was a retroactive request.

Responding to Commissioner Combs, Mr. Gallo said his firm's experience with other cities was that a retaining wall under a certain height and within the 20-foot rear setback would not require a permit. He said in this case they did the work without getting a permit from the City.

Chair Strehl opened the public hearing and closed it as there were no speakers.

Commission Comment: Commissioner Riggs said a retaining wall under 30-inches under California building code did not require a building permit. He moved to approved as recommended in the staff report. Commissioner Goodhue seconded the motion.

ACTION: Motion and second (Riggs/Goodhue) to approve the use permit request as recommended in the staff report; passes 6-0 with Commissioner Onken 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 Bayscape Landscape Management, consisting of 5 plan sheets, dated August 9, 2016 and received on August 30, 2016, and approved by the Planning Commission on September 12, 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

F4. Use Permit/Off the Grid Services LLC/Menlo Park Civic Center:

Request for a use permit for a recurring special event (weekly food truck market) on a portion of the Menlo Park Civic Center, at 701 Laurel Street in the P-F (Public Facilities) zoning district. The market would be located in the parking lot along Alma Street, between the Library and the Arrillaga Family Gymnasium. Additional alternate Civic Center locations could also be considered in the future. The event would occur on Wednesday evenings between 5:00 p.m. and 9:00 p.m., with setup starting at 3:00 p.m. and cleanup concluding at 10:30 p.m. The event would include amplified live music and generator use, which may exceed Noise Ordinance limits. The event would replace the existing weekly food truck market at the Caltrain station parking lot, which is being discontinued at that location. (Staff Report #16-077-PC)

Staff Comment: Principal Planner Rogers said that afternoon former Commissioner John Kadvany emailed the Commission's email address with questions about the conflict with the event's current site and whether the event could remain there as it was a better location in particular because of parking. Principal Planner Rogers said the discovery of a Historic Preservation Covenant on the Caltrain site made the event untenable at that site. He said for the event to continue in Menlo Park the location had to be changed.

Replying to Chair Strehl, Principal Planner Rogers said the referenced covenant did not affect any City requirement and had been placed on the property by Caltrain. He said it was not discovered until experts on historical conservation inspected the property. Replying to Commissioner Combs, Principal Planner Rogers said the City was required to provide notice to all property owners and tenants within 300 feet of a use permit application. He said staff contacted the department heads of the library and community services to attempt to address larger issues. He said the six-month check-in proposed came out of those discussions. He said regarding event users there was no proposed noticing such as putting flyers under windshield wipers.

Replying to Commissioner Goodhue, Principal Planner Rogers said the applicant might have more information about what was in the historical covenant that made the event not allowable.

Replying to Chair Strehl, Principal Planner Rogers said if the Commission approved the request that the City's Housing and Economic Development Manager would develop a lease proposal with the applicant that would go to the City Council for approval. He said it was through the lease that City fees would be determined for the use. He said however that the City was looking at this as an opportunity for community gathering and enjoyment and not necessarily as a significant revenue stream. He said Off the Grid employees would be responsible for setup, take down and cleanup and not City employees.

Applicant Presentation: Ben Himlan, Off the Grid, said there was considerable opposition to their original proposal, when they returned in a year for a check in there was little opposition, and six months later they were granted a five-year permit. He said the Menlo Park campus had amazing facilities for the community and Off the Grid was a community event. He said over the last two years they had run a safe and enjoyable event that had good community response and support. He said they explored other sites downtown, but there were other issues as well as the parking issue.

Commissioner Barnes said the staff report referenced the ability to change the location within the

overall campus and asked about the other two potential sites. Mr. Himlan said the locations were either the Library location or the Fountain location. He said they were quite willing to return in six months for a check-in with the Commission. Commissioner Barnes asked if they had ruled out the Fountain location. Mr. Himlan said they had not.

Commissioner Barnes asked if staff had a sense of the parking use on Wednesdays for the Library lot starting at 3 p.m. Principal Planner Rogers said the City Transportation Division had not done detailed surveys. He said Planning, Transportation and Library staff had met on the subject and the feedback was that definitely there were days when there was plenty of excess parking and other days when recreation leagues were playing when it was highly utilized. He said that was similar to the current Caltrain parking situation. He said effects were that people used to parking in the lot on Wednesday afternoon through evening would have to park elsewhere and noted that the six-month check-in was needed to look at how well that worked. He said his understanding was that Library, Recreation Center and league events could happen as much on a Wednesday as any other day.

Commissioner Goodhue confirmed that the event shutdown and Library closure times on Wednesdays were both 9 p.m.

Commissioner Combs noted the six-month check-in and the five-year permit, and asked why the permit was not limited to six months. Principal Planner Rogers said the applicant needed more than six months to justify their investment and marketing costs for the new location. He said with the original application they had looked at one-year as the time period that was equitable for the City and the applicant for the permit. He said the proposed five-year term was based on the successful operations of the event at the Caltrain station. He said the time period was under the Commission's purview but emphasized that one-year was understood to be the minimum needed for the applicant in terms of their investment.

Replying to Commissioner Barnes, Mr. Himlan said they needed a minimum of a year for a lease and to look at the variables. He said they would have winter hours after October and summer hours would begin in April. He said in the last two and a half years they had established 40 other locations from San Jose to Sacramento. He said they were able to do that because of their reputation as good neighbors. He said their business proposals had never been opposed as much as the first time they came to Menlo Park for approval; yet in six months there was little opposition, and in a year they were granted a five-year permit.

Public Comment:

- Vincent Bressler said use of the Foundation location for this proposal would be a major concern. He said the proposed location would be a problem during basketball season in the winter. He said parking for soccer season occurring now through November would be challenging. He said he would like the current location at Caltrain and the issue of the historic building revisited.
- Aldora Lee, Menlo Park, said she had been associated with the Library since a graduate student at Stanford. She said the Library's programs have expanded greatly with many more evening events including music and she was concerned with how the commercial proposal's noise and use would impact those events. She said the Library restrooms were right inside the front door and she thought they would be deluged by those attending the Off the Grid event. She said she opposed the use permit request.
- Steve Carver, Menlo Park, said he was a neighbor and applauded community events. He said

currently there were events at the Recreation Center that impacted the neighborhood negatively. He questioned allowing amplified music and he did not want noise or unruly behavior at the event but for the area to be quiet and peaceful in the evening.

Chair Strehl closed the public hearing.

Commission Comment: Replying to Commissioner Combs, Principal Planner Rogers said the Fountain lot was between the Administration Building and the Recreation Center. He said Off the Grid would use the bulb out off the main parking lot but could not right now as the City's Administration Building was being remodeled and there was large debris dumpster in that parking lot. He said if there was approval for the event and a future desire to move the event to that location, they would have to do considerable work to get a layout from the applicant that made sense and maintained traffic flow.

Commissioner Barnes said he really enjoyed the Off the Grid events and they were proven operators. He said music at the event in his experience had been one or two people playing guitar with amps, and sound was modest in volume. He said using the Library parking lot would provide a contiguous look to the trucks. He said running it along the train tracks would have low impact and create some displacement issue from the pedestrian and parking access perspective. He said a municipal parcel was a good location for the event but he struggled with the term of the use permit. He said probably the lease and use permit would be coterminous. He said he wondered whether Off the Grid paid other cities fees for the use of their facilities.

Mr. Himlan said they pay fees and it depended on the location and the municipality. He said they have a contract and relationship with San Francisco Parks and Recreation for their events and pay fees that weren't really viable. He said in Walnut Creek they use a redevelopment interim site with authorization to use that site for a very small fee. He said they were open to a revenue exchange noting they have high operating expenses and handle all waste management. He said with a five-year permit and one-year lease that if the lease was not extended, the use permit would become null if not used within a certain amount of time. He said he did not have much information on the covenant restrictions at the Caltrain station. He said their agreement with Caltrain started in 2013 in Burlingame. He said what they and Caltrain didn't know about the Menlo Park station was that in 1992 or 1994 in the operating contract there was language around it being a historical building. He said if they had known they would have tried to negotiate but it had been completely overlooked. He said continuity was important for their business model.

Commissioner Barnes said they needed to look at how the restrooms would be used and to consider some fee arrangement.

Commissioner Riggs said his concern was parking. He said the new Recreation Center was built and parking rearranged but parking was still impacted, and the Fountain lot was often full. He said Wednesday was a big sports night and parking would be impacted. He suggested that 1000 El Camino Real has excessive parking. Mr. Himlan said those property owners did not want to have that conversation. Commissioner Riggs asked if the trucks could be lined up on Alma Street and have an event. Mr. Himlan said they looked at Alma and potential street closure and that would impact access even more. He said they looked at Alma north of Ravenswood and that became

challenging with driveways and angled parking for Caltrain. He said lining the trucks along the curb was something they could do but the experience was lost as the sense of space was lost with the lighting and the centralized space. He said using the lot provided a sense of space.

Commissioner Riggs confirmed with staff that the referenced bulb out area was the drop off area for the Recreation Center. He said if that was used then in theory no parking would be lost. He asked the applicant if they could fit in that area. Mr. Himlan said they could make that work by closing the drive lane. He said he thought closing the loop would be more impactful to Recreation Center users and would not create the experience and viability needed to satisfy their vendors. He said closing the Library parking lot and having the food trucks situated there protected people. He said having the trucks along the curb would be less safe as people would meander and cars would be traveling through there. He said they surveyed the attendees in 2014 and over 40% of them were not driving and thus not parking.

Chair Strehl asked about the parking lot nearer to Burgess Park along Alma Street noting it was not as heavily used in the evenings. Mr. Himlan said they wanted a space that was used similar to their current location and noted that shuttle buses drop people off at the train station. He said the Library lot was about 600 feet from the existing site. Chair Strehl said she liked the idea of using the area along north Alma Street between Ravenswood Avenue and Oak Grove Avenue. Mr. Himlan said the event was borderline impossible there as there was full use during the day for Caltrain use and driveways to multiple businesses. Chair Strehl said she had problems with impacting the parking for the Library and recreation facilities. She said the restrooms should not be used by the event attendees.

Commissioner Kahle said he supported Off the Grid. He said there was a lack of visibility in the Library parking lot but noted their Fort Mason event site was tucked away and was a great success. He said parking was an issue but he could see the argument being made for the use of this site. He said he supported the application.

Commissioner Combs said the event was a great success, they had been good neighbors and brought vibrancy to that area. He said that the people using those lots had not been properly notified about this upcoming change. He said his concern was the length of the use permit. He said he thought they would know whether this worked or not before six months transpired. He said because those spaces were for the Gym and library that he could not support this use permit request. He said parking was something residents paid for on an ongoing basis.

Commissioner Barnes asked if people would have somewhere to park and walk to the Library and Gymnasium. Principal Planner Rogers said Transportation Division had found that only very rarely was all parking on the campus used. He said the event would displace a number of parking spaces and some users could park in other lots and walk; or go to the Library at a different time, or create carpooling for sports league participants. He said additional parking would open up at Caltrain when the event relocated. He said anecdotally for the existing event at Caltrain that visitors have been noticed parking at the Civic Center to walk from there to the food truck market at the train station.

Commissioner Barnes asked for a sense of other parking in the Civic Center that would be available for parking that this event would displace. Principal Planner Rogers said nearly always the Alma/Burgess parking lot has available parking. He said also that some Caltrain users parked their cars all day in the Library parking lot and the City wanted to end that use. He said there were some four hour maximums that needed to be applied to that lot that would benefit everyone. Commissioner Barnes asked about providing directional information to users to help them adjust to this change. Principal Planner Rogers said it was within the Commission's purview to require additional signage. He said the applicant did that with the existing site through agreement with Kepler's and Café Borrone and put out signage to direct people to appropriate parking. He said the application as presented allowed for signage directing people to not park in the Library parking lot during certain hours on Wednesdays.

Commissioner Kahle said he was willing to make a motion but suggested Commissioner Barnes might make the motion with some conditions and that he (Commissioner Kahle) would be willing to second that. Commissioner Barnes said he would be happy to do that. He said a solution for the restrooms was needed as availability of restrooms was critical to the approval of the use permit request; signage was needed for alternative parking and for the applicant to provide people particularly at the outset to direct drivers to potential parking locations. Chair Strehl mentioned the use permit term. Commissioner Barnes said because this was City property he thought a two-year term was sufficient.

Chair Strehl asked if in six months when this was reviewed if people had concerns with displacement whether the lease would have to be continued for two years. Principal Planner Rogers said the City through the use permit process has a revocation option so that if actual impacts create observable, objective impacts that were documented, the City at anytime, even before the six-month review, could start the process of revoking the use permit. He said if the use permit was approved, the City Council would consider a lease agreement at a future time and the City Attorney would recommend having some procedure stated in the lease for terminating the lease. Commissioner Barnes said he would pull any reference to the term of the use permit as the lease would define that.

Commissioner Kahle said he would second the motion but he was not sure if the motion was clear. Chair Strehl indicated he would need to make a motion. Commissioner Kahle said he did not have the same concerns as Commissioner Barnes. He moved to approve the use permit with modifications to require signage regarding parking. Commissioner Barnes said as the second he would like the applicant to provide individuals to direct drivers to alternative parking.

Chair Strehl said the applicant should provide porta-potties for the event.

Commissioner Riggs said regarding the use of the restrooms that he was not sure that was a problem. He said like Commissioner Barnes he wanted signage and parking guides at least for the first two to four events. He said he would like to limit the use permit to two-years with a six-month check-in as a friendly amendment. Commissioner Kahle said he accepted the friendly amendment.

Principal Planner Rogers confirmed with Chair Strehl that Commissioner Kahle was the maker of the motion and Commissioner Barnes seconded. He said the modifications to the user permit

conditions included submittal of a signage plan and deployment of that with people to assist in directing parking. He asked if that was ongoing or limited to the first two to four events as staffing was a significant cost for the applicant. Commissioner Kahle said for the first two to four events only. Commissioner Barnes said he thought a month was too short. He asked if the applicant could address the staffing.

Mr. Himlan said he understood the Commission's concerns about the duration and having an exit clause. He said regarding the parking concerns that the first time they came to the Commission for a use permit there was a line of restaurant owners out the door who said this event would put them out of business. He said there was no one this evening expressing concern. He said perhaps these concerns might not be issues. He said they would like to try allowing use of the bathrooms and if that was an issue they would bring in porta-potties. He said they would do parking signage and would use indefinitely. He said they would use two staff members initially toward parking.

Commissioner Riggs said he supported Off the Grid in 2013. He said he was also present at hearings regarding parking for the new Recreation Center for which detailed analysis was done. He said there would be pressure on parking so to relieve it, particularly on impacted nights, there should be at least two or three guides to direct people to empty parking spaces in other lots. He said if the makers of the motion and second agreed he would like the applicant required to check in with the Recreation Center about sports activities scheduled on Wednesday nights.

Commissioner Barnes said a review by Planning after eight weeks of some level of traffic guides was a requirement he wanted. Commissioner Riggs asked about requiring the applicant to check in with the Recreation Center and Library about activities planned for Wednesday nights. Commissioner Barnes asked if the latter was to extend beyond the initial period of eight weeks. Commissioner Riggs agreed. Commissioner Barnes said he preferred the eight week period of traffic guides and then a review by Planning staff. Commissioner Kahle asked if Commissioner Riggs wanted the applicant to talk to staff at the Library and Gymnasium. Commissioner Riggs said currently the Gym could handle three separate league events at one time and he thought that was about 150 to 300 cars. He said on an average night you could find 60 people in the Library and that lot was the only one convenient to the Library. He suggested checking in with the two facilities and determining the need for parking guides based upon the activity levels.

Commissioner Kahle said he wanted to amend his motion to have the applicant speak with staff at the Recreation Center and Library about activities at the Gym and Library but to require additional parking monitors for only four weeks. Principal Planner Rogers summarized the motion to that point which included implementation of the parking signage without a sunset, applicant's staff to assist with parking alternative directions for four weeks, for the applicant to check in with Library and Gym representatives regarding events at those facilities on Wednesday evenings, and to amend the term from five to two years. He said in his motion notes he did not have anything about the restroom use. He said the recommended standard condition would give staff the flexibility to require portable restrooms to be brought back if there were documented issues.

Chair Strehl asked if the Library Commission was aware of this request. Principal Planner Rogers said not the Library Commission but the Library Director was.

ACTION: Motion and second (Kahle/Barnes) to approve the use permit request as recommended in the staff report with the following modifications; passes 4-2 with Commissioners Barnes, Goodhue, Kahle and Riggs supporting; Commissioners Combs and Strehl opposing; and Commissioner Onken absent.

1. Make a finding that the project is categorically exempt under Class 4 (Section 15304, "Minor Alterations of Land") 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 description letter provided by the applicant, dated August 29, 2016, and approved by the Planning Commission on September 12, 2016, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
4. Approve the use permit subject to the following project-specific conditions:
 - a. The market operations shall be limited to Wednesday between 5:00 P.M. and 9:00 P.M. Setup may start at 3:00 P.M., and cleanup shall be concluded by 10:30 P.M.
 - b. Alcohol sales and/or consumption are prohibited.
 - c. The applicant and all vendors shall comply with all applicable permitting requirements, including but not limited to: City Business License, Board of Equalization Seller's Permit, San Mateo County Mobile Food Facility Permit, liability insurance, and vehicle insurance.
 - d. City Council action on the lease agreement must be executed prior to the first event at the Civic Center.
 - e. The use permit shall expire ~~five~~ **two** years from the first date that the market is held at the Civic Center, unless the applicant obtains approval of an extension of the use permit. The use permit is subject to initial review by the Planning Commission six months after the first event is held.
 - f. The location may be changed within the Civic Center, subject to review and approval of the Planning Division. Notice of this approval shall be provided to the Planning Commission via email, and any Planning Commissioner may request that the item be placed on the next Planning Commission meeting for discussion and potential action. If no Planning Commissioner makes such a request, the location change shall be deemed approved.
 - g. The applicant shall regularly monitor trash while the market is operating, and shall fully clean the market and immediately surrounding areas at the conclusion of each event. If City staff observes recurring trash-related issues, the Public Works Department and Planning Division shall have the authority to add new requirements relating to this topic. For example, staff could require the applicant to empty certain Civic Center refuse containers at the conclusion of each event, provide fair-share contributions toward additional garbage collection service, or similar requirements. If such problems remain unresolved, the use permit may be subject to revocation.

- h. Amplified live music is permitted between 6:00 P.M. and 8:00 P.M., and shall typically consist of one to two musicians playing predominantly acoustic instruments.
- i. The Public Works Department and Planning Division shall have the authority to review potential issues relating to use of Civic Center building restrooms, and to add new requirements relating to this topic. For example, the Public Works Department and Planning Division could possibly require the applicant to inspect the restrooms during/after the events and assist with cleaning, or to require the delivery/removal of a portable restroom, similar to the previous Caltrain station market operations. If such problems remain unresolved, the use permit may be subject to revocation.
- j. ***At least one week prior to the market's commencement, the applicant shall submit a parking signage plan, which shall have the objective of limiting parking-related issues/confusion. The parking signage plan shall be reviewed and approved by the Planning and Transportation Divisions prior to the market commencing operation. Signs shall be placed on-site per the plan in advance of each market's opening, and removed after the conclusion of the event.***
- k. ***For the first four weeks of the market's operation, the applicant shall provide staff to assist motorists with direction to other Civic Center parking lots and to provide related guidance. The applicant shall check in with Library and Recreation staff regarding other events during this period.***

F5. Use Permit and Architectural Control/DES Architects + Engineers/1525 O'Brien Drive: Request for a use permit and architectural control to modify an existing office, research and development (R&D), and cafe building by removing an existing storage mezzanine, balcony, and office space, and constructing a new lobby on a property in the M-2 (General Industrial) zoning district. The applicant is also requesting a use permit to allow the storage and use of hazardous materials (diesel fuel) associated with an emergency generator to be placed on the site. In addition, the applicant is requesting a parking reduction based on the uses within the building and the proposed tenants' operations. 239 parking spaces would be provided (including 10 spaces on the adjacent property, usable through a parking easement), after the removal of three existing spaces to accommodate the proposed generator, where 246 parking spaces are required by the M-2 square-footage-based parking requirements. *Continued from the meeting of August 29, 2016.* (Staff Report #16-078-PC)

Staff Comment: Associate Planner Smith said in the design and materials section of the staff report it mentioned a metal break between the first and second stories and was shown on sheets 15b and 15c of the plan set. He said it was discovered after the publication of the staff report that the material was actually stucco to match the existing building between the two levels of windows. He said revised sheets 15B and 15C were provided this evening.

Questions of Staff: Commissioner Kahle asked about sheets EX1 and EX2 regarding impervious surfaces included at the end of the packet. Associate Planner Smith said he thought it was just provided information; it was not a Planning requirement and as a requirement of the building permit.

Applicant Presentation: John Tarlton said he was representing the property ownership. He introduced Susan Eschweiler, DES Architects + Engineers.

Commissioner Kahle said in the color rendering it showed a parapet that stopped. Mr. Tarlton said that was accidental and the parapet would continue.

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

Commission Comment: Commissioner Riggs moved to approve as recommended in the staff report. Commissioner Goodhue seconded the motion.

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

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. 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 property is not within any Specific Plan area, and as such no finding regarding consistency is required to be made.
4. Approve the use permit and architectural control subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the project plans provided by DES Architects + Engineers, consisting of 24 plan sheets, dated received August 31, 2016, the project description and request for parking reduction letters, dated received May 11, 2016, as well as the Hazardous Materials Information Form (HMIF), dated received July 11, 2016, all approved by the Planning Commission on September 12, 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. 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.
 - h. 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.
5. Approve the use permit and architectural control subject to the following ***project-specific*** condition:
- a. Generator testing shall be limited to the hours between 8:00 a.m. and 6:00 p.m. Monday through Friday, consistent with the construction activities noise exception set forth in Section 8.06.040(a)(1) of the Municipal Code.
- F6. Architectural Control and Use Permit/1275 LLC/1275 El Camino Real:
Request for architectural control to construct a new mixed-use development consisting of retail or café space on the first floor, office space on the second floor and three residential units on the third floor in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The proposal includes a use permit for outdoor seating associated with the potential café use. The proposal also includes a request to create three residential condominium units and one commercial condominium unit on one parcel. As part of the proposed project, a heritage coast live oak tree located near the middle of the rear property line is proposed for removal. (Staff Report #16-079-PC)

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

Applicant Presentation: Ken Hayes, Hayes Group Architects, said the members of the applicant team were present as well as Gary Lehman with The Guzzardo Partnership, landscape architects. Mr. Hayes provided the Commission with a PowerPoint presentation on the project.

Commissioner Kahle said there had been a concern about access and parking and asked about the parking along the easement. Mr. Hayes said that was a shared easement with the car repair business to the north and that was the logical place for ingress/egress as it reduced the number of curb cuts on El Camino Real.

Commissioner Kahle said between the first and second floor, the space was one and a half feet but between the office and residences on the third story, the floor was about three feet thick. He referred to A3.3. Mr. Hayes said it was a concrete structure and the thin part was just the concrete slab in the parking garage that would not have a finished ceiling. He said on the office level that additional thickness comprised both the concrete slab and the interstitial space.

Commissioner Kahle said he had some questions for the property owner. Mr. Eric Corrigan introduced himself. Commissioner Kahle confirmed with Mr. Corrigan that this project was not requesting bonus Floor Area Ratio (FAR). Commissioner Kahle asked if they had considered going for bonus FAR. Mr. Corrigan said they initially discussed it and considered what would qualify for bonus FAR but concluded it was not worth it.

Commissioner Kahle said he liked that the project had three uses. He said the retail space on the first floor was 589 square feet and questioned if that was enough space for potential tenants. Mr. Corrigan said they wanted to keep the continuity of the retail businesses along El Camino Real for pedestrian continuity. He said the retail element has a higher parking requirement and generated a much lower rent. He said this was suitable for a boutique use.

Chair Strehl asked if the condominium units were for sale or rental. Mr. Hayes said that they most likely would not be sold. Chair Strehl asked if they needed a Traffic Demand Management plan (TDM) for the office use. Mr. Hayes said they have a transportation report indicating the traffic impacts were negligible. He said 42 spaces were required per code and they have 44 spaces so they had not considered a TDM. Chair Strehl said that the auto repair business parked a lot of cars along the shared access easement. Mr. Hayes said that those would have to be moved as they were on the project property.

Public Comment:

- Dan Ziony said his home was on Hoover Street directly behind this project site. He said the notice for this meeting was the first time he was made aware of this project. He said overall the project looked very attractive and compelling. He said he had concerns about its integration with residences on Hoover Street related to privacy screening and noise. He said the terraces and windows for example would have a view into his home. He said he had concerns with the open garage and screening and noise from HVAC. He said if those concerns could be addressed he thought this would be a great project for the neighborhood.

Chair Strehl closed the public hearing.

Commission Comment: Commissioner Riggs asked about landscaping at the rear of the lot.

Gary Lehman, The Guzzardo Partnership, landscape architects, introduced himself. Commissioner Riggs said it appeared that three trees would be planted in the rear and there were two existing trees, with one proposed for removal because it was leaning. He asked the species of the new trees. Mr. Lehman said the trees proposed were Catalina ironwood, a medium height evergreen, and would be 24-inch box trees, about seven to eight feet tall and about four feet wide. He said the trees would grow to 25 to 30 feet in about 10 years.

Commissioner Riggs asked about the siding. Mr. Hayes provided a photograph of a building they had completed on El Camino Real. He said the siding they were proposing for this building would have the same depth as that of the photographed building but in a different color, dark gray. He said they had used this siding on a number of buildings, noting it was durable, created deep shadow, and its coating was guaranteed for 20 years. Commissioner Riggs asked about the material for the roof screening. Mr. Hayes said it was plaster to minimize sound. He said the mechanical system was a VRV, a very quiet, high efficiency system with very little noise impacts.

Commissioner Riggs said the space for the potential café was small. Mr. Corrigan said they had not determined what would go into the retail space but wanted to keep it open as a café and hopefully the opportunity to have outdoor seating in front. Commissioner Riggs said his concern was the space might stay empty for a long time. Mr. Corrigan said his family owned other buildings in Los Altos, Mountain View and Palo Alto. He said one building in Los Altos was all retail and had been completely 100% occupied for 35 years. He said they approached retail with a different responsibility and outlook than for office tenants. He said office tenants come and go. He said you want continuity with retail tenants so you have a much lower rental rate and look for a person with a good business plan to be viable at that price range. He said their goal was to maintain the retail continuity along El Camino Real and they would do that.

Commissioner Barnes asked if there was any other allowable use for the retail space. Associate Planner Sandmeier said personal services use would be permitted. She said the applicant had not expressed interest in that.

Commissioner Combs asked if the applicant had another retail space similar to this that was occupied. Mr. Corrigan said their Los Altos retail space was 600 square feet, a dress shop, Cambric Limited, and had been there for 20 years. Commissioner Combs asked about the integration of the project with the residential area to the rear. Mr. Hayes referred to drawing A1.2 that showed the proximity of other buildings to the rear. He said a 20-foot setback was required to the building façade and an in-ground 10-foot landscape area with trees. He said Mr. Ziony's residence was at the lower left hand corner and two existing heritage trees were being maintained there and would provide screening. He said an outdoor terrace at the rear of the office and the glass wrapped the two ends of the terrace. He said one window would look into the rear. He said the third story residential was located 30 feet from the property line. Commissioner Riggs said that was to the building wall not the balcony.

Commissioner Kahle asked if the applicant was willing to raise the third story terrace wall. Mr. Hayes said that was currently three feet tall with a six inch metal railing on top. He said if it would help they could increase the solid wall up to where the metal rail was. Commissioner Kahle said he would prefer taller along the back. He said on sheet plan A2.3 there seemed to be two different materials for the screen noting a lighter green with hatching and a darker green. Mr. Hayes said for the purpose of this presentation he asked staff to put green over anything that was uncovered or sky lit. He said it was differentiating where darker with the hatch underneath a different paving

material, a wood deck material versus a concrete pattern. He said there was landscaping potential there as well as the terrace which was nine feet.

Chair Strehl said she thought it was a great project. She said she had concerns about the retail space size.

Commissioner Barnes said he liked the project and would like the height of the rear wall addressed. He suggested that Commissioner Kahle establish a height for the wall on the third floor. Commissioner Kahle deferred to Mr. Hayes. Mr. Hayes asked if they could work with staff on that as they would not want the wall to be raised all the way around the building. Commissioner Kahle asked if there was the potential for increasing the retail space noting a van parking space or the stair tower. Mr. Hayes said they went round and round on the retail space. He said they wanted something that would be usable from the front versus the inside. He said possibly they could acquire a few feet. He said as proposed this would be a very interesting, unique space and 20-feet tall.

Commissioner Barnes asked if the space was not used as a café whether the use permit for the outdoor seating would go away. Associate Planner Sandmeier said if the use permit was approved there was a 12-month period in which the building permit should be issued to keep that use permit approval active. Commissioner Barnes asked if the space was used for a nail salon whether they would be allowed outdoor seating. Associate Planner Sandmeier said the outdoor seating would have to be associated with a café use.

Commissioner Riggs said he shared Mr. Hayes' reservations about raising the terrace wall. He suggested that either obscure glass or panels be used to imply privacy.

Commissioner Combs moved that the request for architectural control be accepted and the use permit approved as recommended in the staff report. Chair Strehl seconded the motion requesting a modification to have the applicant work with staff on screening of the rear third floor. Commissioner Combs said he accepted that modification.

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

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. A checklist has been prepared detailing that no new effects could occur and no new mitigation measures would be required (Attachment J).
 - b. Relevant mitigation measures have been incorporated into the project through the Mitigation Monitoring and Reporting Program (Attachment K), which is approved as part of this finding.
 - c. Upon completion of project improvements, the Specific Plan Maximum Allowable Development will be adjusted by 3 residential units and 9,923 square feet of non-residential uses, accounting for the project's net share of the Plan's overall projected development and associated impacts.

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 F).
3. 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.
4. Approve the architectural control and use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Hayes Group Architects, consisting of 42 plan sheets, dated received on September 6, 2016, and approved by the Planning Commission on September 12, 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 requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - c. 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.
 - d. All public right-of-way improvements, including frontage improvements and the dedication of easements and public right-of-way, shall be completed to the satisfaction of the Engineering Division.
 - e. Prior to commencing any work within the right-of-way or public easements, the applicant shall obtain an encroachment permit from the appropriate reviewing jurisdiction.
 - f. Prior to building permit issuance, applicant shall coordinate with California Water Company to confirm the existing water mains and service laterals meet the domestic and fire flow requirements of the project. If the existing water main and service laterals are not sufficient as determined by California Water Company, applicant may, as part of the project, be

required to construct and install new water mains and service laterals sufficient to meet such requirements to the satisfaction of California Water Company.

- g. Prior to building permit issuance, applicant shall coordinate with West Bay Sanitary District to confirm the existing sanitary sewer mains and service laterals have sufficient capacity for the project. If the existing sanitary sewer mains and service laterals are not sufficient as determined by West Bay Sanitary District, applicant may, as part of the project, be required to construct and install new sanitary sewer mains and service laterals sufficient to meet such requirements to the satisfaction of West Bay Sanitary District.
- h. 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 the review and approval of the Engineering Division.
- i. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a plan for: 1) construction safety fences around the periphery of the construction area, 2) dust control, 3) air pollution control, 4) erosion and sedimentation control, 5) tree protection fencing, and 6) construction vehicle parking. The plans shall be subject to review and approval by the Building, Engineering, and Planning Divisions prior to issuance of a building permit. The fences and erosion and sedimentation control measures shall be installed according to the approved plan prior to commencing construction.
- j. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a draft "Stormwater Treatment Measures Operations and Maintenance (O&M) Agreement" with the City subject to review and approval by the Engineering Division. With the executed agreement, the property owner is responsible for the operation and maintenance of stormwater treatment measures for the project. The agreement shall run with the land and the agreement shall be recorded with the San Mateo County Recorder's Office prior to building permit final inspection.
- k. 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 issuance of a building permit.
- l. Simultaneous with the submittal of a complete building permit application, the applicant shall submit an Off-Site Improvements Plan for review and approval of the Engineering Division. The Off-Site Improvements Plan shall include all improvements within public right-of-way including utility improvements and removal and replacement of any damaged and significantly worn sections of frontage improvements. The Off-Site Improvements Plan shall be approved prior to issuance of a building permit.
- m. Simultaneous with the submittal of a complete building permit application, the applicant shall provide documentation indicating the amount of irrigated landscaping. If the project proposes more than 500 square feet of irrigated landscaping, it is subject to the City's Water Efficient Landscaping Ordinance (Municipal Code Chapter 12.44). Submittal of a detailed landscape plan would be required concurrently with the submittal of a complete building permit application.

- n. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval of 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.
 - o. If construction is not complete by the start of the wet season (October 1 through April 30), the applicant shall implement a winterization program to minimize the potential for erosion and sedimentation. As appropriate to the site and status of construction, winterization requirements shall include inspecting/maintaining/cleaning all soil erosion and sedimentation controls prior to, during, and immediately after each storm event; stabilizing disturbed soils through temporary or permanent seeding, mulching, matting, tarping or other physical means; rocking unpaved vehicle access to limit dispersion of much onto public right-of-way; and covering/tarping stored construction materials, fuels, and other chemicals. Plans to include proposed measures to prevent erosion and polluted runoff from all site conditions shall be submitted for review and approval of the Engineering Division prior to beginning construction.
 - p. The applicant shall retain a civil engineer to prepare "as-built" or "record" drawings of public improvements, and the drawings shall be submitted in AutoCAD and Adobe PDF formats to the Engineering Division.
 - q. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance and the recommendations of the arborist report prepared by Arbor Resources, dated August 17, 2016.
 - r. Prior to building permit issuance, all Public Works fees are due. Refer to City of Menlo Park Master Fee Schedule.
 - s. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a lighting plan, providing the location, architectural details and specifications for all exterior lighting subject to review and approval by the Planning Division.
 - t. Simultaneous with the submittal of a complete building permit application, a design-level geotechnical investigation report shall be submitted to the Building Division for review and confirmation that the proposed development fully complies with the California Building Code. The report shall determine the project site's surface geotechnical conditions and address potential seismic hazards. The report shall identify building techniques appropriate to minimize seismic damage.
 - u. A complete building permit application will be required for any remediation work that requires a building permit. No remediation work that requires approval of a building permit shall be initiated until the applicant has received building permit approvals for that work. All building permit applications are subject to the review and approval of the Building Division.
5. Approve the architectural control and use permit subject to the following ***project-specific*** conditions:

- a. The applicant shall address all Mitigation Monitoring and Reporting Program (MMRP) requirements as specified in the MMRP (Attachment K). Failure to meet these requirements may result in delays to the building permit issuance, stop work orders during construction, and/or fines.
- b. Simultaneous with the submittal of a complete building permit application, the applicant shall submit an updated LEED Checklist, subject to review and approval of the Planning Division. The Checklist shall be prepared by a LEED Accredited Professional (LEED AP). The LEED AP should submit a cover letter stating their qualifications, and confirm that they have prepared the Checklist and that the information presented is accurate. Confirmation that the project conceptually achieves LEED Silver certification shall be required before issuance of the building permit. Prior to final inspection of the building permit or as early as the project can be certified by the United States Green Building Council, the project shall submit verification that the development has achieved final LEED Silver certification.
- c. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a full shoring plan subject to review and approval of the Planning and Building Divisions.
- d. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a draft Public Access Easement (PAE) along the property frontage to accommodate the full 12-foot wide sidewalk (as measured from back of curb) along the frontage of 1275 El Camino Real. Said PAE dedication shall be subject to review and approval of the Engineering and Transportation Divisions, and shall be accepted by the City Council and recorded with the San Mateo County Recorder's Office prior to building permit final inspection.
- e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a utility plan that shows undergrounding of overhead utilities, subject to the approval of the Engineering Division.
- f. The applicant shall be required to secure adequate parking for any and all construction trades outside of Downtown Menlo Park and outside any residential streets, unless or until the parking podium is available on the project site at which time any and all parking associated with construction trades shall be contained on the project site.
- g. Prior to issuance of each building permit the Applicant shall pay the applicable Building Construction Street Impact Fee in effect at the time of payment to the satisfaction of the Public Works Director. The current fee is calculated by multiplying the valuation of the construction by 0.0058.
- h. Any nonstandard improvements within public right-of-way shall be maintained in perpetuity by the owner. Owner shall execute an Agreement to maintain non-standard sidewalks and planting strips if any. Agreement shall be recorded prior to final occupancy.
- i. Irrigation, if any, shall comply with City Standard Details LS-1 through LS-19. Owner shall execute and record a maintenance agreement for irrigation facilities in City right-of-way.

- j. If this project is creating more than 5,000 square feet of irrigated landscaping, per the City's Water Efficient Landscape Ordinance (Municipal Code 12.44) the irrigation system is required to have a separate water service.
- k. A landscape audit report shall be submitted to the engineering division prior to final inspection.
- l. Prior to building permit issuance, the applicant shall submit all necessary improvement plans and documents required by Caltrans associated with work under Caltrans' jurisdiction. The plans shall be subject to review and approval of the Public Works Department prior to submittal to Caltrans.
- m. Prior to issuance of building permit, the applicant shall submit the El Camino Real/Downtown Specific Plan Preparation Fee, which is established at \$1.13/square foot for all net new development. For the subject proposal, the fee is estimated at \$20,591.99 (\$1.13 x 18,223 net new square feet).
- n. Prior to issuance of building permit, the applicant shall submit all relevant transportation impact fees (TIF), subject to review and approval of the Transportation Division. Such fees include:
 - i. The TIF is estimated to be \$51,724.49. This was calculated as follows: (\$4.63/s.f. x 9,334 s.f. office) + (\$4.63/s.f. x 589 s.f. retail) + (\$1,927/unit x 3 multi-family units). Please note this fee is updated annually on July 1st based on the Engineering News Record Bay Area Construction Cost Index. Fees are due before a building permit is issued.
 - ii. The City has adopted a Supplemental Transportation Impact Fee for the infrastructure required as part of the Downtown Specific Plan. The fee is calculated at \$379.40 per PM peak hour vehicle trip. The proposed project is estimated to generate 22 PM peak hour trips, so the supplemental TIF is estimated to be \$8,346.80. Payment is due before a building permit is issued and the supplemental TIF will be updated annually on July 1st along with the TIF.
- o. Simultaneous with the submittal of a complete building permit application, the applicant shall submit an updated Transportation Demand Management Plan that incorporates the updated project including the potential café use.
- p. Simultaneous with the submittal of a complete building permit application, the applicant shall submit updated plans showing the 8-foot clear walking zone without intrusions on all plan sheets, subject to review and approval of the Planning Division.
- q. ***Simultaneous with the submittal of a complete building permit application, the applicant shall submit revised plans showing additional screening above the third floor balcony wall along the west elevation to increase the total height of the wall and screening to between four to five feet, subject to review and approval of the Planning Division. The screening shall have the objective of providing additional privacy to the residential parcels fronting on Hoover Street.***

If the applicant elects not to pursue subdivision and confirms so in writing, the following conditions do not apply:

- r. Applicant shall adhere to the Subdivision Map Act and Chapter 15 of the City's Municipal Code.
- s. Within two years from the date of approval of the vesting tentative map, the applicant shall submit a Parcel Map for City approval.
- t. Prior to recordation of the Parcel Map, the applicant shall install new on-site improvements as shown on the approved plan set.
- u. Prior to recordation of the Parcel Map, the applicant shall pay any applicable recreation fees (in lieu of dedication) per the direction of the City Engineer in compliance with Section 15.16.020 of the Subdivision Ordinance. The estimated recreation in-lieu fee is \$235,200 (based on \$9.8 million value of acreage)
- v. Simultaneous with the application for a Parcel Map, the applicant shall submit covenants, conditions and restrictions (CC&Rs) for the approval of the City Engineer and the City Attorney. The CC&Rs shall include the following provisions:
 - i. Refuse bins shall not be left on the property frontage or in other visible areas overnight;
 - ii. The CC&Rs shall provide for funding and provision of maintenance of all common facilities, such as streets and utilities, not accepted for maintenance by a public agency. The CC&Rs shall stipulate that the HOA is responsible for maintaining landscaping consistent with the Landscape Maintenance Agreement. The CC&Rs shall be recorded as deed restrictions with the Final Map.
 - iii. The CC&Rs shall describe how the storm water BMPs associated with privately owned improvements and landscaping shall be funded and maintained by the HOA.
- w. The public improvements shall be constructed in-place or bonded prior to approval of the Parcel Map.
- x. The applicant is required to show on the Parcel Map all existing and proposed easements that are directly applicable to the project.

G. Regular Business

- G1. Architectural Control/Maximus Real Estate Partners/350 Sharon Park Drive:
Request for architectural control review of exterior modifications of eighteen existing apartment buildings, one existing clubhouse and three accessory buildings in the R-3-A-X (Garden Apartment, Conditional Development) zoning district. The proposed exterior modifications would include replacing balcony railings, siding, patio screens, modifying the exterior color scheme, new landscaping and improvements to the site amenities. In conjunction with the proposed improvements, 39 heritage trees located throughout the site are proposed for removal due to poor health, structure, location, or limited long-term value. ([Staff Report #16-080-PC](#))

Staff Comment: Associate Planner Meador said after publication of the staff report staff received two comment letters. She said one supported the project and the downsized scope of the work

proposed since the 2013 proposal and the other expressed concerns that the improvements would increase rents and potentially cause displacement of tenants during the construction process. She said the City Arborist was available to answer questions on the trees.

Applicant Presentation: Bruce Wright, SB Architects, said he was the principal architect on the project. He said also present was David Ruth, Maximus Real Estate, who was representing the client. He said 350 Sharon Park Drive was known as Sharon Green, a 15 ½ acre site, 296 apartment units, generally configured into 18 buildings with 13 two-story buildings, five three-story buildings, an amenity building and three accessory buildings used as housekeeping or laundry. He said the project was built in the late '60s and '70s. He said their client who purchased the site would like to renovate, replace, and bring a level of design consistency to the complex, and modernize the site. He said they would replace all windows and glass to high efficiency. He said they would bring more light to the buildings. He said they would update the center area to be a community gathering place for the tenants. He said washers and dryers would be installed in each unit and the existing laundry room would become an amenity for parties and tenants.

Mr. Ruth said when they took ownership of the property in late 2015 they used Arborwell to do a comprehensive survey of the property, measure every tree, evaluate health and structure, and make recommendations regarding maintenance. He said their report recommended 61 trees for removal of which 39 were heritage trees. He said a majority of the trees were original to the project and some even older. He said when a project was constructed there was a tendency to overplant and you ended up with the wrong type of tree in the wrong location. He said the report took four years. He said they worked with Arborwell to see if any of the trees slated for removal could be saved and they have a list of 52 trees from that removal list for heavy mitigation including pruning, cabling, root trimming, and whatever they could do to save them. He said the Environmental Quality Commission (EQC) suggested phasing the removals to reduce the shock of canopy reduction. He said they could do that but would have to remove the trees that posed imminent danger from structural failure or were posing some other safety issue for residents. He said they were proposing a one to one heritage tree replacement. He said the main challenge was finding the right location for the replacement trees. He said in lieu of the 15-gallon heritage replacement trees they could put in 24-inch box trees. He said as part of the construction renovation program they have an infill landscaping plan.

Public Comment:

- Siegfried Schoen, Sharon Heights, said his home was close to the property and he had also been a resident of Sharon Green previously for almost five years. He said previous project approval had been for basically window dressing and the City Council had denied the project. He said the site and company were sold, and the new buyer realized it was not a good investment, and got rid of it quickly. He said the owners should concentrate on improving the interiors of the units and the building structural elements and not just tear down trees. He suggested including recommendations of the EQC as they were very reasonable and rational regarding replacement ratios.
- Aruni Nawayakkara said her home was across from the Sharon Green Apartments. She said she had also been a resident in Sharon Green and her friends there were concerned they would have to move out due to rent increases. She said the rent for a three-bedroom over the last three years increased from \$3,000 to \$5,000. She said families would need to move out if the rent increased to \$7,000. She said the EQC recommendations to have a greater than one to one replacement tree ratio were not supported by staff. She said some of the 32 of the non-

heritage trees were approaching heritage size. She suggested they consider keeping more trees.

- Anda Hall, Sharon Heights, said she agreed with previous speakers. She opposed the plan to remove 61 trees. She said she hoped there had been an independent arborist review to determine whether all the trees needed to be removed. She said if they needed to be removed they should sufficiently be replaced and the canopy loss mitigated by staggering the removal so that future generations of Menlo Park might enjoy the same quality of environment.
- Athena Lerokomos said she was one of many Stanford graduate students who live in Sharon Green. She said she agreed with what was said about the heritage tree removal. She said she wanted to emphasize how difficult it was for a Stanford graduate student to live off campus noting the campus housing crunch. She said Sharon Green was one of the few apartments within safe biking distance to Stanford. She said she and her roommates moved in a year ago and were facing rent rises that were more than four working adults living in at two-bedroom apartment could sustain.

Chair Strehl closed the public hearing.

Commission Comment: Responding to Commissioner Barnes about the tree removals, Christian Bonner, City Arborist, said of the approval of removal of 39 heritage trees that it was the City's contract arborist under staff supervision who inspected the trees. Mr. Bonner said he evaluated the contract arborist's report. He said the City's contract arborist's recommendation was to approve the removal of the heritage trees as stated in the staff report, primarily based on the condition of the trees and the long term value of the trees. He said the majority of the trees were eucalyptus, acacia and Monterey pine, all of which have various pest and disease issues tending to make them short-lived and susceptible to structural damage. He said he supported the removal based on the City's contract arborist report and recommendations. He said regarding the total number of trees to be removed that consideration was given to the heritage tree removal permit with a one to one replacement requirement on residential property.

Commissioner Barnes asked about the impact on the canopy with the removal of 61 trees and if the remaining canopy was sufficient. Mr. Bonner said his understanding was the removal work was prioritized and part of the tree management plan. He said the removal seemed a clear necessity due to the conditions of the trees, including their value and structure. He said the owner had done a responsible job in looking at the overall canopy to determine what could be maintained and had a removal / replacement plan for trees not suitable for retention.

Replying to Commissioner Riggs about the maintenance and pruning, Mr. Ruth said they needed to remove the trees in imminent danger of failing, plot out the rest of the removals and do the pruning adjacent with that. He said they would look at those immediately that seemed to need radical maintenance and they would want their arborist to prioritize the work. He said otherwise they would phase the pruning. He agreed with Commissioner Riggs that about one-third of the trees needed maintenance. Replying to Commissioner Riggs' question about the phasing of the building renovation, Mr. Ruth said the intent was to do start one building a month and sequentially move through the campus with each building taking three to four months to complete.

Commissioner Riggs asked about the timing of evictions. Mr. Ruth said they did not have any evictions lined up and that they had worked with tenants to determine when their leases would terminate in that building and to offer month by month extensions. Commissioner Riggs asked if it was expected current tenants would move into the refurbished buildings. Mr. Ruth said it wasn't

clear. He said some people did not want to live at a site where there was any construction occurring. He said others wanted to live through the construction to move into the refurbished apartments. Commissioner Riggs asked if they could do more than one to one replacement of heritage trees. Mr. Ruth said not for heritage trees. He said working with their arborist and landscape architect they tried to do two to one replacement and they could not find the right locations and open space to accommodate. He said one of the public comments from the EQC hearing was to look at the non-heritage trees slated for removal that might be close to heritage size and try to save those. He said they identified 52 trees originally to be removed they would aggressively mitigate for as well as an additional forty non-heritage trees that were approaching heritage size. He said they believed by the time construction was completed that they would have essentially offset the heritage tree removal. Commissioner Riggs asked about increasing plantings around the perimeter noting Monte Rosa and Sharon Park Drives. Mr. Ruth said that was part of their landscape infill program.

Replying to Commissioner Kahle, Associate Planner Meador said staff worked with the City Arborist on the responses to the EQC's recommendations. She said many of their conclusions were based upon the consulting arborist report and the issues with current crowding of trees on the site.

Replying to Chair Strehl, Mr. Ruth said each unit would have a washer and dryer, fire sprinklers would be installed in the units and buildings, the fire alarm system would be upgraded, new low flow plumbing fixtures would be installed, lighting replaced with LED, and interior finishes would be modernize.

Replying to Commissioner Combs, Mr. Ruth said the monthly vacancy rate was about five to fifteen units.

Replying to Commissioner Goodhue, Mr. Ruth said their preference was to keep all of their residents and relocate them on the property once construction started on their current building, and then as buildings were fully renovated in five months to give residents the option of moving into a renovated unit.

Replying to Commissioner Strehl, Mr. Ruth said the renovated units would be rented at market value. He said existing tenants would be given priority on which units they wanted.

Chair Strehl noted that fewer trees were being removed than previously proposed and when the project was completed there would be 440 trees on the site.

Commissioner Combs acknowledged the public speaker's comments about the rent increases. He said there was no mechanism by which the City might have any authority over that impact. He said he thought the solutions to that were more regional.

Commissioner Riggs moved to approve as recommended in the staff report. Commissioner Goodhue seconded the motion.

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

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. 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 property is not within any Specific Plan area, and as such no finding regarding consistency is required to be made.
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 SB Architects, consisting of 107 plan sheets, dated received August 30, 2016, and approved by the Planning Commission on September 12, 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, 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. 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 Strehl said that for the next item Commissioners Combs and Goodhue were recused. She said typically the Commission tries to conclude the meeting by 11 p.m. and confirmed that the remaining Commissioners could stay past 11 p.m. if needed to hear the final agenda item.

- G2. General Plan and M-2 Area Zoning Update/City of Menlo Park: Review and comment on the Draft Fiscal Impact Analysis (FIA) prepared for the General Plan and M-2 Area Zoning Update (ConnectMenlo). No action on the FIA or project will occur at the meeting. The objective of an FIA is the projection of changes in public revenues and costs associated with development of a project, and is an informational tool. ([Staff Report #16-081-PC](#))

Staff Comment: Principal Planner Chow said a Fiscal Impact Analysis (FIA) was prepared as part of the process for the General Plan and M-2 Area Zoning Update. She said part of the purpose of the FIA was to identify the potential changes in revenue and expenditures and fiscal impacts to the City and other special districts as a result of potential development that could occur from the proposed project. She said the FIA was an informational tool for the policy makers and the public. She said Stephanie Hagar with BAE Urban Economics (BAE) who prepared the FIA would make a presentation. She said the Commission would have the opportunity to ask clarifying questions, receive public comment and make comments on the FIA. She said no action on the project or FIA would be taken.

Stephanie Hagar, BAE, said the purpose of an FIA was to project the potential impact on local government budgets from the project, in this case ConnectMenlo. She said they looked at the fiscal impacts to the City of Menlo Park, five school districts and other special districts that serve the City. She said the methodology used was to estimate revenues the project would generate and the costs associated with serving new development to determine net fiscal impact for each of the jurisdictions. She said in general they relied on conservative assumptions to estimate revenues to avoid overstating revenue generation by the project and also conservatively to avoid understating potential costs connected with serving new development. She said the project alternatives included in the analysis were the same shown in the Draft Environmental Impact Report (EIR). She said the project included the remaining potential development under the existing General Plan which included development both in the M-2 area and the remainder of the City and also new development that would be allowed under ConnectMenlo and that was all focused in the M-2 area.

Ms. Hagar said the reduced non-residential intensity alternative had the same amount of residential as the project but half of the increment of non-residential development that would be allowed with ConnectMenlo. She said the reduced intensity alternative also included the remaining development potential under the existing General Plan and included three-quarters of the new development potential from ConnectMenlo. She said the net fiscal impact of the project was estimated at \$8.8 million per year. She said the reduced non-residential intensity alternative and reduced intensity alternative would generate a smaller net fiscal impact. She said under all three scenarios the City would receive one-time facility and development impact fees and for the project would total \$187 million.

Ms. Hagar said they looked at the net fiscal impact of the project on the five school districts serving the City. She said the Ravenswood City and Redwood City school districts were revenue limited and not expected to experience any fiscal impact due to the project. She said Las Lomas, Menlo Park City and Sequoia Union were basic aid school districts. She said that meant if they received

additional property tax revenue they kept it but that property tax revenue was also responsible for providing all ongoing operating revenue. She said if the number of new students increased that was the revenue source relied upon to provide education to the new students. She said they projected student generation through 2040 for all five school districts noting that the numbers in the FIA mirrored those in the EIR. She said the combined impacts of ConnectMenlo along with other trends such as existing housing turnover, student generation rates that might be associated with demographic trends in housing over time, and birth rates would lead to different levels of student enrollment in the five school districts. She said factors unrelated to ConnectMenlo were not addressed in this report. She reviewed the net fiscal impact associated with the growth and enrollment for the three basic aid school districts. She said Las Lomitas would experience a net negative fiscal impact of \$794,000 per year; Menlo Park City would experience a net negative fiscal impact of \$4.5 million per year; and Sequoia Union would experience a net negative fiscal impact of \$5.5 million per year. She said all five districts would receive impact fee revenue the use of which was restricted to capital costs and improvements.

Ms. Hagar said the Menlo Park Fire Protection District would experience a net positive fiscal impact of \$2.8 million per year and that San Mateo Community College District, Midpeninsula Regional Open Space District, and Sequoia Health Care District would experience a positive net fiscal impact although the amounts were more minor over the time of the project build out.

Chair Strehl noted the 4500 residential units intended in the M-2. She said she did not think those would be Below Market Rate units, and questioned the deficit in revenue for the school districts. She asked if the rent determined property tax or the value of the development. Ms. Hagar said that the rents would drive the value of the development. She said looking at the Menlo Park City school district, their average student expenditure rate was approximately \$14,000 per pupil. She said the student generation rate for a multi-family development was .44. She said each unit would need to generate \$6200 per year to the school district to cover the costs of the students in that unit. She said applying the property tax that goes to the school district and the assumptions you would use to turn that into a rental rate that would be \$12,000 per month or a unit that would be valued at \$3.5 million. She said the numbers would be slightly different for Sequoia Union school district. She said she had not applied the exercise she just shared to all the school districts but thought it illustrated that if you looked at each rental unit as having a value that would help it to pay for itself, from the school district perspective that equated to some very expensive sale and rental rates.

Commissioner Kahle said he was having difficulties understanding why the school districts were projected as having a net negative fiscal impact. He asked if these were significant negatives or incremental. Ms. Hagar showed a visual that indicated the percent of these negatives on each of the school district's 2015-16 budget; 3% on Las Lomitas, 11% on Menlo Park City, and 4% on Sequoia Union. She said this would occur over a 24 year period and was not something that would happen all at once. She noted there would be other changes that school districts would consider in planning for future enrollment growth.

Commissioner Barnes said the FIA called out specifically in the Menlo Park City school district that the incremental cost was not associated with the M-2 development but was specific to the areas of Menlo Park outside the M-2. Ms. Hagar said that was correct and also applied to the Las Lomitas school district. Commissioner Barnes said the FIA toggled between blended and non-blended costs. He asked why the Menlo Park City school district was included as a deficit if it was not specific to the M-2 development. Ms. Hagar said part of the project being analyzed was the existing development potential under the City's current General Plan. She said both inside and outside of the M-2 there was some existing development potential allowed under the City's current

General Plan that would not be related to the increment being considered as part of ConnectMenlo. She said any new development that would occur outside of the M-2 was part of the existing General Plan and that was where the Menlo Park City and Las Lomitas were. Commissioner Barnes said it was an important distinction to be able to delineate between what the impacts of the ConnectMenlo development were and what was happening in Menlo Park irrespective of that.

Commissioner Barnes noted a reference to the development program at full build out on page 9. He said for the M-2, 3375 was called out for rental units and 1125 for condominiums. He said the Commission has not seen many condominiums in projects coming to them. He said Facebook was largely corporate housing and rental and Sobrato was indicated as rental. Ms. Hagar said they wanted to recognize that the rental market in Menlo Park was stronger than the condominium market, and that the majority of development in the multi-family units was likely to be rental. She said throughout the Bay Area however the rental market recovery from the recession has proceeded strongly and there was interest in condominium development emerging from that recovery. She said they wanted to not assume all would be rental but to include some condominium development. She said the 1125 figure was a pro forma 25%.

Commissioner Barnes referred to page 10 and population increase and employment generation. He said it refers to 14,150 net new Menlo Park residents and the citywide population growing from 32,900 to 50,000 by 2040. Ms. Hagar said they pulled these numbers from the EIR but those needed to be looked at further as it might be a misprint. Commissioner Barnes said that also applied to employment generation as well. Ms. Hagar said they would look at that too.

Chair Strehl noted there were two people in the audience and inquired of them if they would comment. They did not.

Principal Planner Chow said she had not mentioned two pieces of correspondence on the project sent directly to the Planning Commission earlier in the day. She said she had copies if any of the Commissioners wanted copies.

Commissioner Barnes referred to pages 23 and 25. He asked how to define what the net value of the up-zoning was associated with the M-2. He noted metrics applied to square footage based on use, which were called out as assessed values. He asked if this described the value of the up-zoning or how that information was available. Ms. Hagar said that chart was meant to answer what the value of new development was in the increment allowed under ConnectMenlo. She said it was not meant to capture sales of existing properties and the potential value increment that ConnectMenlo might have with resales of existing properties.

Commissioner Barnes said as an example if he had a concrete tilt-up at .55 FAR and was increasing FAR due to factors such as different tenant mix to 1.5 or .85 and doing different things to the facility, what was the value of that up-zoning resulting in the M-2. Ms. Hagar said the value of that up-zoning would not be captured in the FIA. She said to assign value in that way would be highly speculative, and they had been tasked to look at the increment of new growth rather than other changes not part of the new increment.

Commissioner Barnes referred to page 38 and impact fees and where those fees went and what they were used on. Principal Planner Chow said the BMR fees would go towards funding affordable housing, transportation impact fees would go towards transportation improvements. Commissioner Barnes asked if the transportation impact fees would be spent only on the area from which they were generated or on overall systems. Principal Planner Chow referred to page 38,

table 24, and said the \$27 million transportation impact fee would be considered new and used towards specific items. She said they would be looking at updating their nexus study. She said projects would be identified through that study and those dollars would go to specific improvements. Commissioner Barnes asked if that was the cost of the basic infrastructure to accomplish the M-2 development or if it was for projects above and beyond basic and in other parts of the City as well. Principal Planner Chow said they could be citywide projects and might not happen in the M-2 area. She said whether it was above or beyond or just to maintain existing infrastructure that was something that would need to be asked of the Transportation Manager. Commissioner Barnes asked about the recreation in-lieu fee. Principal Planner Chow said that was to help existing parks and acquire needed parks. She said it was applied throughout the City.

Commissioner Riggs asked how the Menlo Park City school district was burdened with students but did not receive meaningful property tax. He asked for a map of the rezoning of M-2 that would show what portion of that was directly related to the Menlo Park City school district. Ms. Hagar said none of the development in the M-2 was within the Menlo Park City school district boundaries. Commissioner Riggs asked if any of the people living within the M-2 would go to Menlo Park City schools. Ms. Hagar said they would not as the district boundaries define both the attendance boundaries and the property tax revenue. She said this analysis was the impact to the Menlo Park City school district from potential development under the existing General Plan within the school district boundaries. Commissioner Riggs said the FIA would be more useful if that was clarified. Ms. Hagar said they could do that.

Commissioner Riggs said they looked at the peak of the cycle of rental and in evaluating rental properties reduced current rents. Ms. Hagar said it was a 10% reduction. Commissioner Riggs said there were cycles with the economy and he would not argue with that. He said he wanted to know the connection they were drawing between rents and property tax. Ms. Hagar said they used rents to calculate the net operating income for a typical rental unit. She said they applied a cap rate assumption to the net operating income based on the current cap rate although when researching capitalization rates, results were spread out. She said they erred on the side of something that would lead to a lower value estimate than what they would do if they were to be really aggressive. She said a cap rate was the net operating income from the unit divided by the price an investor would pay for that unit.

Commissioner Riggs said cap rates were not a prediction for performance 20 years out but were used for valuation today. He said he couldn't draw the connection with applying a cap rate reduction to an economic cycle to 2040. He said land value in the presence of new construction was determined by the underlying land plus the cost reported for the building permit. He said that was the new value and what the county tax assessor used. He said this would determine the income to the school districts and not the rents. Ms. Hagar said they were looking at what the purchase price for these properties would be. Commissioner Riggs said that did not apply to the economic cycle as they were talking about new construction. He said for example that there were virtually no homes in the M-2. He said in Redwood City and parts of Menlo Park rents and values for a majority of Menlo Park went down in 2012 but the assessor did not revise their values. He said the assumption was made that nonprofits would drive down the tax for new residential units but the largest block of proposed rental units were Facebook's. Chair Strehl noted Sobrato. Commissioner Riggs said looking at the Sequoia Union school district and the comparison between expected revenues and the burden on that school district that the expectation was \$6.8 million of new value. He said regardless of rental rates and nonprofit status that all of the new value was taxable. He said he doubted the schools were being underfunded. He acknowledged the study by Charles Bernstein, which he had not reviewed completely. He said there seemed to be

misrepresentation of trouble to the school districts and misapplying blame to the M-2. He said the FIA was challenged on multiple levels which created an uncomfortable foundation for decision making for the City Council. He said his inclination was to recommend that the FIA was not what they needed to move forward on the General Plan.

Chair Strehl said she agreed on comments made tonight and those in the letters from Patti Fry and Charles Bernstein. She said Mr. Bernstein indicated that the bottom line to the Fire District was it would lose \$2.8 million under the project scenario. Ms. Hagar said they were looking at a 24 year time period under the General Plan. She said during that period, sale and purchase of properties was expected. She said looking at the development from the perspective of the sale price it could achieve was anticipating that properties would change hands over the course of the General Plan build out prior to development or over the 24 years. She said they were focusing on the net new increment of growth and were not looking at redevelopment of existing properties potentially at higher density levels. She said that would be speculative to consider the rate at which properties would be redeveloped versus new projects from the ground up. She said the numbers they were providing were fairly conservative in that they were making assumptions based on the top of the market and really just focusing on the net new.

Commissioner Barnes said a lot of development was “scrape and rebuild” in the marketplace, but even small increments represented a tremendous amount of increase in assessed value. He said for him this was a very difficult analysis to define what was specific or not specific, existing conditions or new. He said it made it impossible to do equal comparison for impacts. He said the whole purpose of ConnectMenlo was not to re-litigate other parts of development in the City but to consider circulation and land use specifically in the M-2 district.

Principal Planner Chow said she heard confusion between what potentially existing issues under the current General Plan were and what the net difference would be with the potential change in the M-2. She said early on that was part of the discussion in defining the project. She said the EIR landed on looking at the existing remaining development potential with ConnectMenlo on top of that. She said the EIR did not just build onto what the net new was but readopted everything that could be built under today's General Plan and reviewing the potential impacts of that, which was the project description. She said they replicated the project description with the FIA and looked at the cumulative effect of what was developable under the existing General Plan and the potential in the M-2 area. She said perhaps they could go back into the FIA and look at what were the potential impacts under today's General Plan and remaining development potential and layering on top separately what would be the impact as the result of ConnectMenlo. She said that would show that impacts to school districts in M-2 did not feed into Menlo Park City and Las Lomitas school districts and might not be a net negative impact as they were existing conditions. She said the question was what the differences were. She said if they were able to separate out the two that might help clarify some of the questions that had been posed. She referred back to Commissioner Riggs' comment that he would not recommend the FIA to the City Council. Commissioner Riggs said it was not a good foundation for decision making as it presented the data leading to mistaken readings of conclusions for instance that the M-2 project would be a detriment to the Menlo Park City school district. Principal Planner Chow asked if they were able to separate out the two and still present both pieces of information as that was the total project the Planning Commission and City Council would be evaluating, whether that would address his concerns. Commissioner Riggs said the FIA was drawing more hard questions than it was providing answers. He said it needed to respond to these multiple questions of what it presents.

Commissioner Barnes asked when the FIA called out net population increase and net job increase

if that was specific to the activity within the M-2 or included potentially a Station 1300 project. Principal Planner Chow said it was remaining development potential so not a pending project like Station 1300. Commissioner Barnes said in the bullet of 9900 additional jobs to be created in Menlo Park by 2040 would 1300 Station figure into that. He said on page 10 for instance the population increase and employment generation was only for M-2. Ms. Hagar said it included the existing remaining development potential under the General Plan and the increment from ConnectMenlo. She said they were analyzing the entire project. Commissioner Barnes asked if a project on El Camino Real was included in the number. Principal Planner Chow said they would need to look at the EIR, the companion piece. She said in the EIR there was a table that described the proposed project which was the current General Plan and proposed bay front area and that was outside the projects that were currently on file. She said 1300 and 500 El Camino Real were pending projects and would be in the cumulative projects list but were not part of the remaining development potential. Commissioner Barnes asked if projects outside of the M-2 fed into the numbers talking about population increase and employment generation. Principal Planner Chow said that was correct.

Commissioner Barnes said it was not just about the school district numbers but reading the numbers it seemed these were all based on the M-2, when in fact it was potential development citywide. He said this false assumption permeated the entire report and it had to be better clarified. He said he had studied the report for hours and it was confusing. He referred to multiple references on page 9 to what was specifically called out as single-family units developed as second units where single-family units currently exist. He confirmed that was a term for an in-law unit and asked how many were being referenced. Ms. Hagar said she recalled it was 55.

Commissioner Barnes referred to the expenditures on page 48 and asked why the money was disproportionately weighted toward police with 1.1 officer per 1,000 people. Chair Strehl said she suspected it had to do with benefits. Commissioner Barnes asked if there was a comparison of that with other jurisdictions. Ms. Hagar said she would need to look at several sources to make a comparison. She said police budgets were typically a significant part of city budgets.

Chair Strehl referred to Mr. Bernstein's letter and his observation that the method used in this FIA was different from other FIAs done for the City. He said other FIAs had used the value of construction costs which was what the County Assessor would also use. Chair Strehl asked why that method had not been used and whether it could be used moving the analysis forward to the City Council. Ms. Hagar said if they were to use a construction value approach instead it would be more conservative than the analysis being presented. She said the reason they chose to go with the income method of assessing value was because they were looking at a conceptual development program spanning a 24 year period. She said they had incorporated a number of assumptions related to assessed value that were conservative.

Chair Strehl said that there could be quite a discrepancy between these findings and those from a more conservation construction value approach. Ms. Hagar said it could be. She said if they talked about total element costs rather than just for instance hard construction costs, those were not entirely unrelated to the rents a person would expect to get from a project. She said there was a relationship between the rental rates the developer would anticipate and the construction costs associated with the new project. She said more extensive construction would lead to higher rental rates. She said by looking at total development costs rather than the assessed value they were presenting based on income that was essentially deducting the developer's profit off of the assessed value being assumed. She said to the extent there was a large profit to be made off developments, which she knew there was in some cases, it would lead to a large difference. She

said 12% return on cost might be an acceptable profit and given that they had already reduced rental rates by 10% to drive the analysis of what the assessed value would be and focused on the net increment rather than the redevelopment of an entire site. Commissioner Riggs said this explanation made sense to him as this was an evaluation over a 24-year period.

H. Informational Items

- H1. Future Planning Commission Meeting Schedule
- Regular Meeting: September 26, 2016
 - Special Meeting: October 19, 2016 (Wednesday)
 - Regular Meeting: October 24, 2016
 - Regular Meeting: November 7, 2016

I. Adjournment

The meeting adjourned at 11:31 p.m.

Staff Liaison: Thomas Rogers, Principal Planner

Recording Secretary: Brenda Bennett



STAFF REPORT

Planning Commission

Meeting Date:

10/19/2016 & 10/24/2016

Staff Report Number:

16-083-PC

Public Hearing:

Consider and Recommend on the Land Use Element, Circulation Element, Zoning Ordinance Amendments, Rezonings, and Environmental Review Associated with the General Plan and M-2 Area Zoning Update

Recommendation

The General Plan and M-2 Area Zoning Update has been a multi-year comprehensive process that represents a vision for a live/work/play environment in the M-2 Area while maintaining the character and values that the City has embraced. The proposed project reflects the input received during the process and a balance of interests, and has been informed by the preparation of an Environmental Impact Report (EIR) and Fiscal Impact Analysis (FIA). Staff recommends that the Planning Commission recommend approval of the following components to the City Council, subject to modifications deemed appropriate by the Commission:

1. General Plan Amendments: Incorporate the updated Land Use and Circulation Elements into the General Plan and change the land use designations of properties in the M-2 Area to Light Industrial, Office, Life Sciences, Mixed Use Residential, Baylands, or Public Facilities. No land use designation changes are anticipated outside of the M-2 Area and Baylands Area (Attachment A).
2. Zoning Ordinance Amendments: Create three new zoning districts in the M-2 Area for consistency with the proposed General Plan Land Use Element. The proposed zoning districts include Office (O), Life Science (LS) and Residential-Mixed Use (R-MU). The O district includes overlays to allow hotels (O-H) and corporate housing (O-CH). Overlays for bonus level development are also proposed in the three new zoning districts as indicated by the inclusion of “-Bonus” with the title of each district. In addition, changes to the C-2-B (Neighborhood Commercial District, Restrictive) zoning district to allow residential use, changes to streamline the hazardous materials review process as an administrative permit, and other minor modifications are being proposed (Attachments B, C and D).
3. Rezoning: Rezone property in the M-2 Area to one of the following zoning designations for consistency with the proposed General Plan land use designation amendments: O (Office); Office - Hotel (O-H); Office - Corporate Housing (O-CH); Office - Bonus (O-B); Life Science (LS); Life Science - Bonus (LS-B); Residential Mixed Use (R-MU); Residential Mixed Use – Bonus (R-MU-B); Public Facilities (P-F), and Flood Plain (FP) (Attachments E and F).
4. Environmental Review: Review of the Final Environmental Impact Report (EIR) prepared for the General Plan and M-2 Area Zoning Update, which analyzes the potential environmental impacts of the General Plan and M-2 Area Zoning Update.

The City Council is tentatively scheduled to review the project on November 15, 2016.

Policy Issues

The proposed project requires the Planning Commission and City Council to consider a number of policy issues. The General Plan, itself, is a policy document that will serve as the blueprint for future development in the City. The goals, policies and programs established in the Land Use and Circulation Elements are intended to guide appropriate development and infrastructure in the City, and they should also support the aspirations of the Guiding Principles and reinforce the community's values and vision for what the City can be.

As part of the consideration of the General Plan and M-2 Area Zoning Update, the Planning Commission and Council will need to consider the types of land uses, the number of jobs, the number of housing units, and the number of hotel units that could result from potential changes to the area. With additional development, there could be impacts, but also greater availability to fund other desired improvements in the community. Future goals, policies and programs for the General Plan Land Use and Circulation Elements and the proposed changes to the Zoning Ordinance development regulations and design standards can help ensure that future development in the area is done in a way that creates a sense of place that is desired by the community.

As part of the process, an EIR was prepared. The EIR helps inform the public and decision-makers of the potential impacts as a result of the proposed changes. The Planning Commission and Council will need to consider whether the proposed changes outweigh the environmental impacts or whether a project alternative, which could result in less impacts, but potentially meeting less of the objectives, is preferable.

Background

The General Plan serves as the City's comprehensive and long range guide to land use and infrastructure development in the City. Although required by State law, a General Plan is customized to reflect the values and vision of each jurisdiction. The City Council established early in the process that the General Plan land use update would focus on the M-2 (General Industrial) Area of the City, which includes the business parks generally located between US Highway 101 and the San Francisco Bay. Since the summer of 2014, the City has embarked on the General Plan Update and M-2 Area Zoning Update process branded as ConnectMenlo. The ConnectMenlo logo depicts the major roadway intersections of the M-2 Area, and the name is a reminder about the interconnectedness between land use and mobility and connectivity between people and places. The City Council identified the completion of the General Plan and M-2 Zoning Update as a City Council goal and a top priority in its 2016 Work Plan. The establishment of the General Plan Advisory Committee (GPAC), comprised of Council and Commission Members and representatives from the community, has played an important role in guiding the process.

A critical component of the ConnectMenlo process has been broad community outreach. Over 60 meetings, events and activities related to ConnectMenlo have occurred to help educate and inform, share ideas, and gather input on the potential changes in the current M-2 Area of the City and citywide circulation. A schedule of ConnectMenlo events and activities and information provided at those meetings are posted on the ConnectMenlo webpage at www.menlopark.org/connectmenlo. Members of the community, property owners and other interested parties from varying organizations have been involved, and their input has been a key aspect to shaping the proposed project.

Overview of Key Milestones

The General Plan update process began with the development of the Guiding Principles. The Guiding Principles were established through a collaborative process and describe the kind of place that community members want Menlo Park to be. The Planning Commission and City Council provided key input into the acceptance of the Guiding Principles in December 2014. Additionally, the Commission and Council provided input on the Notice of Preparation (NOP) for the Environmental Impact Report (EIR), which described the maximum potential development that could occur in the M-2 Area, and was released in June 2015. In September 2015, the Planning Commission conducted a study session on the draft Land Use and Circulation Elements and the draft M-2 Area zoning regulations summary, and a scoping session on the EIR. At that meeting, the Commission expressed interest in the community amenities program, a desire to think creatively about issues such as the use of unbundled parking, and supported sustainable requirements for all buildings. Following revisions to the draft Land Use and Circulation Elements, the City Council then conducted a meeting in October 2015 to receive public input and provide feedback on the draft Land Use and Circulation Elements and the draft M-2 Zoning regulations summary.

In early January 2016, the ConnectMenlo team released the draft M-2 Area zoning ordinances, which included three new districts: Office (O); Life Sciences (LS); and Residential Mixed Use (R-MU). Each of the districts includes both development regulations and design standards, and will be further discussed in the Analysis section below. The ConnectMenlo team had hosted a number of meetings to engage with the GPAC and the community to receive feedback on the proposed regulations, and the Planning Commission conducted a study session on the draft zoning on May 23, 2016. The Commission provided guidance on suggested revisions, which are further discussed below in the Analysis section. In June 2016, the Draft EIR was released and the Planning Commission conducted a public hearing to receive comments. In July, the City Council extended the EIR comment review period an extra 15 days for a total of 60 days. In September, the Fiscal Impact Analysis was released and discussed by the Planning Commission. The Fiscal Impact Analysis has been updated per the guidance of the Planning Commission and is further discussed below in the Fiscal Impact Analysis section.

Analysis

General Plan Update

The City is proposing to update the Land Use and Circulation Elements of the General Plan, including revised goals, policies and programs, the establishment of new land use designations, and the creation of a new street classification system. The General Plan Update seeks to create a live/work/play environment that fosters economic growth, increased sustainability, improved transportation options and mobility, while preserving the existing residential neighborhood character and quality of life enjoyed today. The land use changes are generally focused in the M-2 Area and could result in an increase in development potential above what would be allowed under the current General Plan, as follows:

- Up to 2.3 million square feet of non-residential uses;
- Up to 4,500 residential units; and
- Up to 400 hotel rooms.

This additional development potential in the M-2 Area, combined with the remaining development potential under the current General Plan, would result in a total of up to 4.1 million square feet of non-residential development and up to 5,500 residential units in the City.

The Land Use and Circulation Elements are two of the seven mandated elements (or chapters) of a General Plan. In 2013, the City updated its Open Space/Conservation, Noise and Safety Elements. In 2014, the City adopted its most recent Housing Element for the 2015-2023 planning period. Therefore, the focus of ConnectMenlo is to update the Land Use and Circulation Elements, which date from 1994. These two elements are central components of the General Plan because they describe which land uses should be allowed in the City, where those land uses should be located, how those land uses may be accessed and connected, and how development of those uses should be managed to minimize impacts and maximize benefits to the City and its residents. The General Plan must be internally consistent across elements, and within an element, the goals, policies and programs must be consistent with and complement one another.

The Guiding Principles were established through a collaborative process in the Fall of 2014 and describe the kind of place that community members want Menlo Park to be. The Guiding Principles, which are noted in the Draft General Plan Introduction (Attachment A, Exhibit A), are supported by the goals, policies and programs in the Land Use and Circulation Elements. A *goal* is a general, overall desired outcome, a *policy* is a specific statement of commitment that sets a direction for the City to follow, and a *program* is an action carried out pursuant to a policy to achieve a specific goal. The goals, policies and programs will be used to help guide future land use decisions and plan for future capital improvements in the City. For example, each year, the Planning Commission evaluates the Capital Improvement Plan (CIP) for consistency with the General Plan prior to its adoption into the budget.

Along with the General Plan update, a number of programs identified in the Draft Land Use and Circulation Elements are intended to be concurrently implemented. While policies set the overall direction, they often do not define the specific details about how to achieve a goal or measure success. At the programmatic level, performance standards, procedures, and regulations can be established to achieve goals. For example, the programs in the table below, as identified by program number in the Draft Land Use and Circulation Elements, are intended to be implemented simultaneously with the General Plan update and serve as tools to help reinforce goals and policies as development and infrastructure improvements occur in the City.

Implementation Programs	
Land Use Element Programs	Circulation Element Programs
LU-1.A Zoning Ordinance Consistency	CIRC-2.G Zoning Requirements for Bicycle Storage
LU-4.C Community Amenity Requirements	CIRC-2.H Zoning Requirements for Paseos
LU-6.D Design for Birds	CIRC-6.F Trip Reduction Goals
LU-7.H Sea Level Rise	

Throughout the process, the term “Bayfront” has been used interchangeably with “M-2.” M-2 refers to a current zoning designation that will become almost obsolete should changes occur per the proposed General Plan and M-2 Area Zoning Update. Bayfront was identified as a potential name given its geographic reference near the Bay. However, concerns have been raised about the applicability of the name, whether it refers to just the former M-2 Area or the larger area, inclusive of the Belle Haven neighborhood. The intent of the name was not to lose the identity of the Belle Haven neighborhood, but rather make the M-2 name more relevant given the vision for the area and the reduction in M-2 zoned properties as the primary land use category.

Land Use Element

The Draft Land Use Element, incorporated as Exhibit A to Attachment A, includes a regional land use framework for context, discusses the overall City’s land use composition and defines the General Plan land use designations and goals, policies and programs. The goals, policies and programs from the 1994 Land Use Element were used as the basis for the development of the proposed goals, policies and programs and retain the same values of neighborhood preservation, environmentally sound planning, and economic stability, while acknowledging the desirability of live/work/play environments that can be created with increased development in appropriate locations. Although the primary focus of land use changes has been located in the M-2 Area, the goals, policies and programs in the Land Use Element are applicable citywide. The proposed seven Land Use Element goals are the following:

- **Goal LU-1 Orderly Development:** Promote the orderly development of Menlo Park and its surrounding area.
- **Goal LU-2 Neighborhood Preservation:** Maintain and enhance the character, variety and stability of Menlo Park’s residential neighborhoods.
- **Goal LU-3 Neighborhood-Serving Uses:** Retain and enhance existing and encourage new neighborhood-serving commercial uses, particularly retail services, to create vibrant commercial corridors.
- **Goal LU-4 Business Development and Retention:** Promote the development and retention of business uses that provide goods or services needed by the community that generate benefits to the City, and avoid or minimize potential environmental and traffic impacts.
- **Goal LU-5 Downtown/El Camino Real:** Strengthen Downtown and the El Camino Real Corridor as a vital, competitive shopping area and center for community gathering, while encouraging preservation and enhancement of Downtown’s atmosphere and character as well as creativity in development along El Camino Real.
- **Goal LU-6 Open Space:** Preserve open-space lands for recreation; protect natural resources and air and water quality; and protect and enhance scenic qualities.
- **Goal LU-7 Sustainable Services:** Promote the implementation and maintenance of sustainable development, facilities and services to meet the needs of Menlo Park’s residents, businesses, workers, and visitors.

The proposed General Plan land use designations and goals, policies and programs seek to both preserve the qualities of the City and to accommodate change that can benefit the community through increased revenue that supports services and direct provision of amenities that enhance the quality of life in Menlo Park. The General Plan land use designations refer to a category of distinct types of land uses. Each designation establishes the general type of uses and range of development intensities. A land use designation is closely aligned with one or more zoning districts. In general, the General Plan land use designations have remained unchanged, with the exception of the addition of several new categories, including Office, Life Sciences, and Mixed Use Residential, which are all within the M-2 Area. The former Non-Urban land use designation is being renamed to Baylands to align with its current and intended use, and includes the Don Edwards National Wildlife Refuge. No land is being removed from this designation and policies are incorporated into the Land Use Element to help preserve its use and value to the environment and community.

Since the release of the original draft, revisions have been made to the Introduction and Land Use Element, with a focus on making the document more thorough and user-friendly. No changes to the goals, policies or programs were made, with the exception of edits for typographical errors or clarity. The Land Use Element now also includes quotes collected from the process that reflects participants' values and ideas, and past and present photos that reflect Menlo Park's identity, honors the past and sets the stage for future change.

Circulation Element

The Draft Circulation Element, included as Exhibit A in Attachment A, describes distinct issues and opportunities that Menlo Park is likely to face during the next 25 years, as well as strategies for addressing them. Although Menlo Park has a relatively high-quality transportation system, its efficiency is often impacted by regional commute traffic at peak travel times. The topic of traffic and congestion often has been raised as a concern during the ConnectMenlo process. With the proposed Circulation Element, the focus and vision for mobility in Menlo Park increasingly provides transportation options for residents and employees to improve access to a safe and connected network of facilities, encourage physical activity and health, and reduce greenhouse gas emissions.

The proposed seven Circulation Element goals are the following:

- **Goal Circ-1 Safe Transportation System:** Provide and maintain a safe, efficient, attractive, user-friendly circulation system that promotes a healthy, safe and active community and quality of life throughout Menlo Park.
- **Goal Circ-2 Complete Streets:** Increase accessibility for and use of streets by pedestrian, bicyclists, and transit riders.
- **Goal Circ-3 Sustainable Transportation:** Increase mobility options to reduce traffic, congestion, greenhouse gas emissions, and commute travel time.
- **Goal Circ-4 Health and Wellness:** Improve Menlo Park's overall health, wellness and quality of life through transportation enhancements.
- **Goal Circ-5 Transit:** Support local and regional transit that is efficient, frequent, convenient, and safe.

- **Goal Circ-6 Transportation Demand Management:** Provide a range of transportation choices for the Menlo Park community.
- **Goal Circ-7 Parking:** Utilize innovative strategies to provide efficient and adequate vehicle parking.

Providing transportation options is essential for moving people around and maintaining a high quality of life. In 2013, the City Council adopted a “Complete Streets” policy that expresses the City’s desire and commitment to maintain streets that are routinely planned, designed, operated and maintained with consideration of the needs and safety of all travelers. Complete streets establish comprehensive, integrated transportation networks and allow for users to move easily around the City using multiple modes of transportation. A key component of providing complete streets is establishing and promoting the suitability of streets for various travel modes and adjacent land uses. New to the Draft Circulation Element is a revamped street classification system, which would be used in addition to the Federal Highway Administration categories such as arterial, collector and local streets with Menlo Park-specific classifications such as Boulevard, Avenue, Connector, and Bicycle Boulevard. The street classification map (Circulation System Map) (Figure 2) and table (Table 1) in the document depict and explain how the classifications would be applied to the roadway network and define objectives to be met when the City resurfaces or redesigns a specific street.

Transportation demand management (TDM) strategies will also play an important role in improving mobility throughout the City by reducing vehicle trips and parking demand by shifting travel mode and travel time during the day to take advantage of road capacity and reduced congestion. The proposed zoning regulations include TDM standards for all new development in the M-2 Area. Trip reduction goals are further supported by Program Circ-6.F, which was added since the original draft of the Circulation Element.. The program establishes an adopted vehicle trip reduction goal in the Zoning Ordinance to encourage TDM programs and reduce vehicle traffic, and to update the goal with major changes in transit service, every five years, or as needed.

In addition to traffic, the metric (Vehicle Miles Traveled - VMT) for which transportation impacts would be measured has raised some interest during the ConnectMenlo process. Historically, the City, based on the California Environmental Quality Act (CEQA), has used automobile level of service (LOS), a measurement of time delay at signalized intersections and volume on roadway segments. The state is anticipated to adopt revised CEQA guidelines that replace VMT with LOS within the next few years. In prior drafts of the Circulation Element, the City’s LOS standards were removed in anticipation of this change. However, at the request of the GPAC on August 24, 2015 the draft Circulation Element includes a policy to supplement, not replace, LOS with VMT analysis. Therefore, an updated policy (Circ-3.A) was added to re-establish the City’s LOS standards. In the future, prior to or following the state’s adoption of revised CEQA guidelines, the City Council can choose to redefine or update the City’s impact assessment guidelines to incorporate such new standards.

As part of the Circulation Element Update, a more systematic approach to planning for transportation and street infrastructure needs has been identified. The Circulation Element uses safety (i.e., collision history) indicators and operational analysis to identify needs through a Transportation Master Plan for the City (TMP). The TMP would review multi-modal transportation needs and prioritize projects to be constructed across the City. This TMP would be initially prepared, and then would be reviewed at least every five years and updated as needed. Additionally, a proactive bi-annual review process to evaluate the state of the

transportation networks is also proposed. These processes would identify infrastructure needs, identify and prioritize potential modifications, build consensus around potential projects, and be used to inform the City's annual Capital Improvement Program process for design and construction. The TMP would also be used to develop a nexus between the system-wide improvement projects and future potential development to update the City's Transportation Impact Fee Program.

Zoning Ordinance Amendments

The M-2 Area Zoning Update consists of four main components: 1) The addition of the Office (O), Life Sciences (LS), and Residential Mixed Use (R-MU) zoning districts for consistency with the proposed General Plan land use changes in the M-2 Area; 2) Modifications to the C-2-B (Neighborhood Mixed Use, Restrictive) district to permit residential uses and mixed use developments; 3) Establishment of an administrative permit process for hazardous materials review when certain conditions are met; and 4) Other minor modifications to the Zoning Ordinance for consistency and implementation. Each of these topics is further discussed below.

Proposed Office (O), Life Science (LS) and Residential Mixed Use (R-MU) Zoning Districts

As part of the ConnectMenlo process, the team was charged with updating the M-2 Area zoning to develop zoning that is consistent with the proposed new General Plan land use designations. The proposed O, LS, and R-MU zoning ordinances would implement Program LU1.A (Bayfront Area Zoning Ordinance Consistency) of the proposed Land Use Element and set the framework for creating the live/work/play environment concept that is desired for the area. All of the proposed zoning changes would be incorporated into Title 16 (Zoning Ordinance) of the Municipal Code, but would only impact properties in the M-2 Area. Attachments B, C and D include the draft ordinances for the O, LS, and R-MU zoning districts. Most of the existing M-2 zoned land would be replaced by one of the three new zoning districts, as shown in Exhibits B, C, D of Attachment G. A small portion of the existing M-2 zoning would be retained on Haven Avenue and a sliver on Willow Road, which is currently operating as a storage center.

The proposed name of each district represents the predominant use category for the district. Like other zoning districts in the Zoning Ordinance, the proposed language specifies the types of uses that are allowed in each district, as well as uses that require administrative review by the Community Development Director or a use permit, subject to the review and approval of the Planning Commission. In addition, each district outlines detailed development standards such as setbacks, floor area ratio, and height requirements. In response to the Guiding Principle and Land Use Element goal and policy that call for corporate contribution and community amenities, each of the zoning districts establishes standards for base level development as well as bonus level development, the latter of which would be required to contribute community amenities in exchange for increased development potential. Furthermore, the proposed zoning ordinances establish design standards and green and sustainable building regulations for each zoning district. These standards are consistent with the proposed General Plan Land Use Policies LU-2.1 (Neighborhood Compatibility), LU-2.3 (Mixed Use Design), LU-2.9 (Compatible Uses), and LU-7.A (Green Building Operation and Maintenance), which seek high quality and sustainable development. The proposed ordinances attempt to reflect values from community input and guidance from the Council, Planning Commission and GPAC on how to balance growth and potential impacts.

One of the key changes to the area is the introduction of residential uses, up to 4,500 new units. Residential uses zoned R-MU would be concentrated in either stand-alone or mixed-use developments in two primary locations, including an area bounded by Menlo Gateway, Jefferson Drive and Constitution

Drive, and an area along the eastern side of Willow Road on a portion of the Menlo Park Science and Technology campus. Of the 4,500 units, approximately 1,500 units have been identified as corporate housing units, which are denoted as O-CH (Office-Corporate Housing) on the proposed zoning map. The O-CH designation is further described below in its respective section. Most of the other M-2 zoned properties would be rezoned to Office or Life Science, with the latter zoning to occur on properties that already predominantly engage in research and development type uses along O'Brien Drive and Adams Drive. The use of "B" following "O", "LS" or "R-MU" indicates that the property is eligible for bonus level development. In a few locations on the zoning map, the term "O-H (Office-Hotel)" is proposed. This designation allows hotels as a permitted use. In all other O-zoned properties, hotels would be conditionally permitted. As part of the ConnectMenlo process, up to 400 hotel rooms were analyzed for the M-2 Area.

Each of the three zoning districts is intended to be compatible with each other in both uses and physical form. Each of the proposed chapters for the O, LM and R-MU districts includes the same sections, but may have varying standards depending on the district. Table 1 identifies the sections and includes a brief description of the section.

Table 1: Overview of Proposed O, LS and R-MU Zoning Districts

Section	Description
Purpose	Provides the purpose and intent of the zoning district.
Permitted Uses	Identifies the uses that are allowed by-right.
Administratively Permitted Uses	Identifies the uses that are permitted, subject to an administrative permit review and approval by the Community Development Director.
Conditional Uses	Identifies the uses that are permitted, subject to a use permit review and approval by the Planning Commission.
Development Regulations	Identifies various regulations such as minimum and maximum setbacks, FAR, height, and minimum open space requirements. Requirements are included for both base level development and bonus level development. The intent is to generally maintain the existing development regulations under the current M-2 zoning as the base level standards while providing flexibility to increase the FAR and/or density and heights under bonus level development requirements.
Additional Bonus Development Regulations	A development may seek a bonus in density, floor area ratio and/or height in areas denoted with a "B" for bonus level development.
Community Amenities Required for Bonus Development	To be eligible for bonus density, FAR and/or height, a project shall provide one or more community amenities. The section describes how to calculate the value of the community amenities to be provided and the mechanisms in which community amenities may be provided.

Table 1: Overview of Proposed O, LS and R-MU Zoning Districts

Parking Standards	Minimum and maximum parking ratios are established based on a land use. In addition, minimum bicycle parking ratios for both short and long term parking are included. Shared parking facilities may be considered at the discretion of the Transportation Manager.
Transportation Demand Management	New construction, additions and changes of uses affecting 10,000 or more square feet of floor area would be required to develop a Transportation Demand Management (TDM) plan to reduce the associated vehicle trips to at least 20 percent below the standard generation rates for the uses on the project site.
New Connections	The zoning map identifies future connections in the form of either a public street or paseo. New development will be required to provide new pedestrian, bicycle and/or vehicle connections to support connectivity and circulation.
Required Street Improvements	New construction, building additions, and interior alterations of an existing building, or a combination thereof, affecting 10,000 or more square feet of gross floor area will be required to provide street frontage improvements.
Design Standards	Identifies various design standards that must be met for all new construction and additions involving 10,000 or more square feet of gross floor area. The standards address the following: 1) relationship to the street, 2) building mass and scale, 3) ground floor exterior, 4) open space, 5) paseos, 6) building design, and 7) access and parking. Compliance with the design standards will be reviewed through architectural control. One or more of the design standards may be modified through approval of a use permit.
Green and Sustainable Building	Identifies standards related to the following categories: 1) green building, 2) energy, 3) water use and recycled water, 4) hazard mitigation and sea level rise resiliency, 5) waste management, and 6) bird-friendly design.

Changes Since the Planning Commission Study Session

Since the Planning Commission study session on May 23, 2016, the team has revised the language in the draft ordinances to reflect guidance from the Planning Commission and refine the language for clarity in meaning and applicability, as well as overall consistency, within each of the chapters and between each of the three new zoning districts. In a few instances, staff has revisited the applicability requirements, with greater consideration for differentiating the requirements for the intended uses and facilitating future implementation. The following modifications are now included, individually or in its entirety, in the draft O, LS and R-MU zoning ordinances:

- **Height** – The draft documents include two changes related to height: 1) An increase in the maximum building height to 85 feet for R-MU properties located in the Jefferson Drive/Constitution

Area; and 2) An allowance for up to 10 feet of additional building height and base height for all properties subject to flooding and/or sea level rise in the M-2 Area to account for regulations that may require buildings to be elevated.

- **Floor Area Ratio (FAR) Calculation** – Language has been included to allow FAR calculations across contiguous properties of the same zoning district designation and owned by the same entity or wholly owned affiliated entities. This concept allows for greater site planning and design flexibility.
- **FAR** – Consistent with the sliding scale for residential densities at the base level in the R-MU zoning district, a sliding scale FAR was incorporated for the bonus level development, similar to the base level FAR. For bonus level development, an FAR of more than 90% would be permitted for a density of more than 30 dwelling units/acre up to 200% for a 100 dwelling units/acre project. The sliding scale creates a mix of appropriately sized units and precludes a development that maximizes the FAR without the benefit of an appropriate number of dwelling units.
- **Applicability of Design Standards** –The design standards are proposed to be applicable to all new construction, regardless of size, and building additions of greater than 10,000 square feet. Applicability to exterior modifications was removed to not dissuade minor improvements to existing buildings, in particular to small buildings where full redevelopment is impractical or infeasible.
- **Maximum Building Setback** – In an effort to create an attractive and active street frontage, minimum and maximum building setbacks are proposed. The current M-2 regulations do not require a maximum setback. To allow flexibility in placement of small additions to existing buildings in the O and R-MU districts, the proposed ordinances now allow an exemption to the maximum setback for additions of less than 10,000 square feet. In the LS district, the maximum building setback has been removed, recognizing that the intended uses in this district and the existing street pattern of O'Brien Drive and Adams Drive are different and can be different in character, look and feel. With that said, properties in the LS district would still be required to meet design standard requirements for open space, paseos, placement of parking, building entrances and ground floor transparency, among others, to create an attractive and inviting streetscape.
- **Corner Build-to-Requirement** – The design standard has been removed for corner lots for simplicity and flexibility in design. However, the general Build-to Area Requirement remains in place for the O and R-MU districts to help ensure that a minimum percentage of the building is situated between the minimum and maximum setbacks.
- **Rooflines** – Vertical modulation is required in addition to horizontal building modulation. The requirement for varied rooflines has been clarified to require the vertical modulation to align with the building modulation requirements to create a cohesive design.
- **Definitions** – Several definitions such as 'eating establishment', 'drinking establishment', and 'banks and financial institutions' have been added in the land uses category and definitions, such as 'minimum open space requirement' and 'base height' have been clarified in the design standards. The definitions, as stated in the chapters, only affect the chapters and do not apply to the entire Zoning Ordinance.

Corporate Housing (O-CH)

A big part of the ConnectMenlo discussion has been around the topic of housing; the need for more housing and specifically the need for affordable housing to retain existing residents in place and to accommodate service workers such as teachers, retail associates, and emergency service personnel, all who will play a role in the success of the future vision.

A strong housing component was important to the live/work/play environment that was desired for the area. One idea that emerged from the ConnectMenlo process was the concept of corporate housing to address the need of housing for local employers. Through the land use exercise early in the process, the Facebook East Campus (former Sun Microsystems site) at the intersection of Bayfront Expressway and Willow Road was identified as a potential location for up to 1,500 corporate housing units. Previously, the zoning map identified this site as a potential R-MU property. However, that zoning designation would not accurately reflect the intended use and goal for the site. The intent was to create housing options for those who were also employed nearby, thereby having the added benefit of reducing vehicle trips in the area, reducing associated greenhouse gas emissions, and improving the air quality. Such housing could also have the effect of reducing the demand for housing elsewhere in the City or in nearby jurisdictions.

The Draft EIR prepared for the project assumed that there would be no net new trips associated with the proposed housing. To reinforce that traffic assumption, the property is proposed to be rezoned O-CH (Office – Corporate Housing) instead of R-MU. The O-CH designation is a subsection of the O designation, but includes specific development standards, including limits on the occupants of the units to individuals who work on the project site and the prohibition of additional parking spaces for the housing units. Additional specific O-CH regulations include an allowance for an additional 60% FAR for the housing component on a site, a 40-foot height limit, and specific setbacks to account for its location near the Bay. The property at 1 Hacker Way is the only site proposed to be rezoned O-CH at this time, as shown in Exhibit B of Attachment G.

Recycled Water Requirements

Each of the three proposed zoning districts include a section on green and sustainable building regulations, which support the Guiding Principle and goals, policies and programs to be a leader in addressing climate change and to promote sustainable environmental planning. Water use efficiency and recycled water is a component of the proposed green and sustainable building regulations. One of the regulations requires all new buildings 250,000 square feet or more in gross floor area to use an alternate water source for all City approved non-potable applications. While some property owners have expressed concern regarding the requirement, staff believes that it is an opportunity to establish the regulation and effectively manage our water resources. Staff would encourage that the regulation not only apply to buildings of 250,000 square feet or larger, but also to developments of multiple buildings (being proposed at one time) totaling 250,000 square feet or more. The Planning Commission may wish to consider whether such modifications to the proposed regulations are appropriate.

Community Amenities

Since the crafting of the Guiding Principles, the desire for future development to contribute towards community amenities has been a consistent theme. The Corporate Contribution Guiding Principle is stated below:

Corporate Contribution. In exchange for added development potential, construction projects provide physical benefits in the adjacent neighborhood (such as Belle Haven for growth north of US 101), including jobs, housing, schools, libraries, neighborhood retail, childcare, public open space, high speed internet access, and transportation choices.

The concept of the corporate contribution was further established in the proposed Land Use Element as a policy and program, as stated below:

Policy LU-4.4 Community Amenities. Require mixed-use and nonresidential development of a certain minimum scale to support and contribute to programs that benefit the community and the City, including education, transit, transportation infrastructure, sustainability, neighborhood-serving amenities, child care, housing, job training, and meaningful employment for Menlo Park youth and adults.

Program LU-4.C Community Amenity Requirements. Establish Zoning Ordinance requirements for new mixed-use, commercial, and industrial development to support and contribute to programs that benefit the community and City, including public or private education, transit, transportation infrastructure, public safety facilities, sustainability, neighborhood-serving amenities, child care, housing for all income levels, job training, parks and meaningful employment for Menlo Park youth and adults (e.g. first source hiring). The list of specific benefits may be modified over time to reflect changes in community priorities and desired amenities.

Implementation of Program LU-4.C was a key aspect of the M-2 Area Zoning Update and includes three primary components: 1) identification and prioritization of the community amenities through public outreach and input; 2) crafting the development regulations for bonus level development (increased FAR, density and/or height) in exchange for the provisions of community amenities in the area between Highway 101 and the Bay; and 3) creating the process for how community amenities would be implemented. The establishment of a uniform process for consistency and predictability was identified as a preferred approach. The community amenities list is included as Attachment H. and would be adopted by resolution. As noted in the community amenities section of the ordinance, the community amenities list may be updated from time to time by Council resolution in order to reflect community needs and priorities.

Community Amenities Specific to the R-MU District

The R-MU community amenities requirement was structured in two parts: 1) provide a contribution towards affordable housing through the development of 15% of the project's total units for low, very low and extremely low income households; and 2) provide community amenities equal to 50% of the fair market value of additional gross floor area of the bonus level development. During the process, concerns were raised about the feasibility of providing community amenities on top of the 15% affordable housing requirement. At the Planning Commission study session on May 23, the Planning Commission generally supported the idea of the affordable housing being the sole community amenity for bonus level development in the R-MU-B areas, and needed additional information and discussion on whether 15% was the appropriate requirement.

Throughout the ConnectMenlo process, affordable housing and housing for all income levels has been a common theme. However, the desire for other community amenities such as a grocery store, bank, and other services, enhanced landscaping, and education and job training have also been expressed as important community priorities. In an effort to balance interests, staff encourages that the Planning

Commission recommend approval of the modified community amenities approach included in Sections 16.XX.060 and .070 of the proposed R-MU district (Attachment D). The revised approach maintains both the 15% affordable housing requirement and the calculation for 50% of the value of the additional gross floor area of the bonus level development. However, the value of the housing would be deducted from the 50% share and only the remaining funds after the value of affordable housing has been accounted would be used to contribute towards community amenities from the established list. Using a prototypical three-acre mixed use project, a 15% affordable housing requirement with a mix of affordable units at low, very low and moderate income levels in proportion to the City's Regional Housing Needs Allocation (RHNA), would net additional funds for community amenities. The current language in the proposed ordinance does not establish a minimum percentage of affordable units in any individual income category, but requires low, very low, and extremely low income housing units. The Planning Commission should discuss a few topics related to this requirement: 1) Is the new hybrid approach for community amenities in the R-MU district, as summarized above, appropriate; 2) Should a minimum amount of housing units be provided at the various affordability levels; and 3) Should affordability for moderate income households be included?

Modifications to C-2-B (Neighborhood Mixed Use, Restrictive)

To further enhance the live/work/play concept, the idea of permitting residential uses on existing commercial properties currently zoned C-2-B (Neighborhood Commercial, Restrictive) was discussed as part of the creation of the M-2 Area potential maximum development map. The proposed changes to the C-2-B zoning district are included in Attachment E. The proposed Zoning Ordinance amendment would support General Plan Goal 3, which seeks to retain and enhance new neighborhood serving commercial to create a vibrant commercial corridor, and be consistent with Land Use Policies LU-3.1 (Underutilized Properties) and LU3.3 (Neighborhood Retail), which encourage underutilized properties to redevelop with attractively designed commercial, residential or mixed use development and promote the preservation of neighborhood-serving retail, especially small business, while enhancing and preserving the character of the neighborhood, respectively. Staff proposes to change the name of the C-2-B district from Neighborhood Commercial, Restrictive to Neighborhood Mixed Use, Restrictive to better align the types of uses encouraged in the district.

As part of the proposed zoning ordinance update, the revised C-2-B zoning district allows residential uses with a density of up to 30 dwelling units/acre as a conditionally permitted use. The proposed maximum FAR would increase, up to 100 percent, for mixed use developments, and the parking standards would be reduced to align with the provisions proposed in the O, LS and R-MU districts. The land uses previously identified in the C-2-B zoning district remain in the proposed draft ordinance, although several of the uses such as mortuaries and mini warehousing would typically be inappropriate for a neighborhood-serving retail center. The Planning Commission may wish to consider whether any of the conditionally permitted uses or regulations in the zoning district should be modified to better support a live/work/play environment. There are several C-2-B zoned parcels along the Willow Road Corridor, located along the western side of Willow Road at the corners of Newbridge Street and Ivy Drive, and near Bay Road on the south side of Highway 101. The addition of residential uses would increase housing, allow mixed use developments to foster the live/work/play environment, and provide opportunities for growth on key locations in the area.

Streamlining Hazardous Materials Review Process

Throughout the process, a number of comments have been included about the desire for more predictability and streamlining of processes. Because the use and storage of hazardous materials is often a key component of uses located in the M-2 Area, staff has explored modifications to the hazardous materials process, which currently triggers a use permit in the M-2 Area. As part of the current review

process, the Menlo Park Fire Protection District, San Mateo County Health, West Bay Sanitary District (and other applicable sanitary districts), and the City's Building Division all review and provide input on the proposed hazardous materials use prior to Planning Commission review. Given the interagency coordination and expertise by the respective agencies to ensure safeguards are in place and proper handling and storage occur, staff believes it is appropriate to support zoning changes that would allow for the administrative review of hazardous materials by the Community Development Director instead of a use permit. The proposed administrative review process would be added to Chapter 16.80 (Permits) of the Zoning Ordinance, similar to other administrative reviews of different uses. The proposed language is incorporated in the draft ordinance, which is included as Attachment F.

As part of the review process, the Community Development Director would consider the input from the outside reviewing agencies, comments from the public, the compatibility of the proposed use and storage of hazardous materials with the neighboring land uses, and the quantities and types of materials to ensure that they are permissible by the California Fire Code and that the building is designed appropriately, as determined by the Fire Marshall and Community Development Director or his/her designee. As part of the review process, staff would notice the administrative permit request to property owners and occupants within a one-quarter mile of a site. The Community Development Director's decision can be appealed to the Planning Commission.

Other Modifications

Staff is proposing several other modifications to the Zoning Ordinance for consistency and to assist with implementation of future projects. The changes are shown in underline and strikeout format in the proposed adopting ordinance, included as Attachment F. The proposed modifications are as follows:

- Amend Chapter 16.68 (Buildings) to allow administrative architectural control review by the Community Development Director in the O and LS districts, similar to the current process for the M-2 zoned properties. The administrative review limits approvals to minor modifications to buildings, which means there would be no increase in gross floor area.
- Amend Chapter 16.80 (Nonconforming Uses and Buildings) to exempt existing buildings in the O, LS and R-MU districts from the development standards in the zoning district for the purposes of determining if the building is nonconforming, to exempt buildings from amortization, to define a process for restoration if a building is destroyed, and to allow approved use permits and conditional development permits to regulate properties until such a time when comprehensive redevelopment occurs and a property elects to cancel or modify the permit.
- Amend Chapter 16.02 to require that all future development projects comply with the mitigation measures established in the mitigation and monitoring reporting program (MMRP) per the General Plan and M-2 Area Zoning Update Environmental Impact Report.

A provision that has been included in the proposed adopting ordinances clarifies that the proposed ordinance amendments would be applicable to all discretionary projects that have not yet received project approvals. This includes projects that have been filed, but not yet acted upon. All building permit applications on file at the time the ordinances become effective would be exempt from the proposed regulations.

Rezoning

The proposed changes to the General Plan land use and circulation diagrams support the vision for a live/work/play environment with improved connectivity in the M-2 Area. The proposed rezonings to the O, LS and R-MU districts, and the proposed new paseos and street connections, as identified on the attached Zoning Map (Exhibit G of Attachment G), would be consistent with the proposed General Plan land use amendments and circulation diagram noted above and the vision for the M-2 Area.

In addition, staff is proposing several “clean up” rezonings to reflect current uses and/or ownership of a site. Three properties are proposed to be rezoned PF (Public Facilities) from M-2, two of which are facilities operated by the City and West Bay Sanitary District. The third rezoning to PF is at the request of the Sequoia Union High School District for property they own at 150 Jefferson Drive, which is a potential site for a future high school. Several parcels near Willow Road and Bayfront Expressway are proposed to be rezoned F-P (Flood Plain) for consistency with the undevelopable nature of the site. The designation is consistent with the broader adjacent area of the Don Edwards National Wildlife Refuge and potential habitat area. The proposed rezonings require adoption of an Ordinance, which is included as Attachment G.

Correspondence

Since the Planning Commission May 23, 2016 study session, staff has received correspondence on the proposed project. The correspondence is included as Attachment I. Comments related to the Draft EIR were responded to in the FEIR, if received during the comment review period, or in a supplemental memorandum if received after the deadline. The attached comments range from support of the General Plan update and additional housing to questions about how the proposed changes would impact existing business to feedback and suggested edits to the proposed regulations.

Impact on City Resources

The General Plan Update scope of services and budget (\$1.5 million) was approved by the City Council on June 17, 2014, and amended in April 2015 to use contingency funds (\$150,000) to accommodate additional outreach. On October 11, 2016, the Council approved a scope of work and budget augmentation of \$87,000, which was appropriated from the General Capital Improvement Fund for additional public outreach and to address comment letters received on the Draft EIR. The total budget approved to date for the project is \$1,737,000.

Fiscal Impact Analysis

The potential fiscal impacts of the proposed General Plan and M-2 Area Zoning Update have been evaluated in a Fiscal Impact Analysis (FIA) prepared by BAE Urban Economics. The FIA projects potential changes in revenue and expenditures, and net fiscal impacts to the City and other special districts as a result of potential development that could occur from the implementation of the proposed project.

The FIA examines the net fiscal impact of the project on:

- Menlo Park General Fund;
- Menlo Park Fire Protection District;

- School Districts Serving the Project;
- Water and Sanitary Districts;
- San Mateo County Community College District;
- San Mateo County Office of Education;
- Midpeninsula Regional Open Space District; and
- Sequoia Healthcare District

The FIA evaluates the potential net fiscal impact of the proposed project (proposed changes to the M-2 Area plus the remaining development potential under the existing General Plan) and two alternatives (Reduced Non-Residential Intensity and Reduced Intensity) that were evaluated in the Draft EIR.

On September 12, 2016, the Planning Commission discussed and provided comments on the FIA. Several Commissioners highlighted the potential negative fiscal impact on the Menlo Park City School District, Las Lomas School District and Sequoia Union High School District, but noted that the proposed net new changes in the M-2 Area would not result in increased enrollment in the two elementary school districts. The Planning Commission requested additional information that would clarify what impacts were created as a result of the existing remaining development potential versus the proposed changes in the M-2 Area.

Following the Planning Commission's meeting on the FIA, staff refined the corporate housing regulations that are proposed for the Facebook East Campus to align with the approach studied in the EIR and as discussed in the Corporate Housing (O-CH) section above. Because occupants of the corporate housing would be limited to employees only, no students would be generated from the additional 1,500 housing units that were previously analyzed for the site. While this change would not impact the Menlo Park City or Las Lomas School Districts, the potential reduction in students generated from the site would benefit the Sequoia Union High School District. The fiscal model has been adjusted to address the Commission's direction to clarify the impacts from the existing remaining development potential versus the proposed changes in the M-2 Area, to reflect the change in corporate housing regulations, and to account for the change in use from a multi-family apartment development to corporate housing. Although BAE has prepared the updated FIA, BAE has not been able to finalize the report due to an illness. The revised FIA will be incorporated as Attachment J and will be released before the Planning Commission meeting, but separately from the staff report. The newly revised information will be presented at the October 19 meeting.

Environmental Review

Pursuant to CEQA, the City determined that the proposed project could result in potentially significant environmental impacts and that an EIR would be required. As stated in the State CEQA Guidelines, an EIR is an "informational document" that is intended to inform public agency decision-makers and the public of the potentially significant environmental effects of a project, identify possible ways to avoid or substantially lessen the significant effects, and describe reasonable alternatives to the project.

On June 18, 2015, the City circulated a Notice of Preparation (NOP) of an EIR for a 30-day review period. In addition, on September 21, 2015, a public scoping meeting was held on the EIR. The NOP and scoping process solicited comments from responsible and trustee agencies, as well as interested parties regarding the scope of the EIR. On June 1, 2016, the City released the Draft EIR for the General Plan and M-2 Area Zoning Update. The Draft EIR was scheduled for a 45-day review period, ending on Friday, July 15, 2016,

but was extended by the City Council for an additional 15 days, ending on August 1, 2016. During the review period, the public was invited to provide written comments via email or mail on the Draft EIR.

The Final EIR, included as a hyperlink to the document in Attachment M) includes the Response to Comments to all the written comments received prior to the deadline and verbal testimony provided at the Planning Commission public hearing on the EIR, and changes to the document to reflect any needed modifications. The comments on the Draft EIR did not result in any impacts not previously identified. Therefore any changes to the text of the Final EIR were limited to corrections and clarifications that do not alter the environmental analysis. The FEIR is available on the project page at www.menlopark.org/connectmenlo as well as City Hall, the Main Library, the Belle Haven Branch Library and the Onetta Harris Community Center.

One issue that was raised by several commenters was the concept of phasing development, to ensure that units from the residential component of the proposed project were built prior to non-residential development. Project phasing was not evaluated as part of the project and is not a CEQA issue, but a policy topic that the Planning Commission may wish to consider.

The General Plan and M-2 Area Zoning Update Draft EIR analyzes the potential impacts of the proposed project across a wide range of impact areas, including:

Topic Areas	
▪ Aesthetics	▪ Air Quality
▪ Biological Resources	▪ Cultural Resources
▪ Geology, Soils and Seismicity	▪ Greenhouse Gas Emissions
▪ Hazards and Hazardous Materials	▪ Hydrology and Water Quality
▪ Land Use and Planning	▪ Noise
▪ Population and Housing	▪ Public Services and Recreation
▪ Transportation and Circulation	▪ Utilities and Service Systems

Other environmental impact areas of Agricultural and Forestry Resources and Mineral Resources were determined to have no impact from the project and are discussed in Chapter 6, CEQA-Mandated Assessment, of the Draft EIR, rather than in its own chapter.

The Draft EIR is a *program* level EIR that analyzes the adoption and implementation of the proposed project. A program level EIR is different from the most common type of EIR, which is the *project* EIR, which examines the environmental impacts of a specific development project. A program level EIR is appropriate when a project consists of a series of actions related to the issuance of rules, regulations, and other planning criteria. In this case, the proposed General Plan and M-2 Area Zoning Update are long term plans to be implemented over a 24-year buildout horizon. No specific development is proposed as part of the project. Future projects that qualify as a project under CEQA would be subject to compliance with CEQA, which may require additional project-specific environmental review.

Impact Analysis

The following table identifies which topic areas in the Draft EIR were determined to be less-than-significant (LTS), less-than-significant with mitigation (LTS/M) or significant and unavoidable (SU):

Topic Areas	
▪ Aesthetics (LTS)	▪ Air Quality (SU)
▪ Biological Resources (LTS/M)	▪ Cultural Resources (LTS/M)
▪ Geology, Soils and Seismicity (LTS)	▪ Greenhouse Gas Emissions (SU)
▪ Hazards and Hazardous Materials (LTS/M)	▪ Hydrology and Water Quality (LTS)
▪ Land Use and Planning (LTS/M)	▪ Noise (LTS/M)
▪ Population and Housing (SU)	▪ Public Services and Recreation (LTS)
▪ Transportation and Circulation (SU)	▪ Utilities and Service Systems (LTS/M)
LTS = less-than-significant, LTS/M = less-than-significant with mitigation, SU = significant and unavoidable	

Potentially Significant and Unavoidable Impacts

Air Quality

The EIR determined that the cumulative development within Menlo Park could exceed the regional significance thresholds, and therefore the project could contribute to an increase in adverse health effects in the San Francisco Bay Area Air Basin until the attainments are met. However, it should be noted that the program level impact does not preclude the finding of less-than-significant impacts for subsequent projects that comply with the Bay Area Air Quality Management District's screening criteria or meet applicable thresholds of significance. Additional measures could be considered during project-level review based on site-specific and project-specific characteristics to reduce impacts. Because those projects and measures are not known at this time, the impact is considered potentially significant and unavoidable. The same conclusion is also true for construction emission impacts since specific project level mitigation is not known at this time.

Greenhouse Gas Emissions (GHG)

The proposed project would result in a substantial increase in GHG emissions from existing conditions by the horizon year 2040, although per capita emissions under the proposed project would decline. In addition to local measures included in the proposed project, additional state and federal measures are

needed to achieve the more aggressive targets established for 2050 in Executive Order S-03-05. The order established the GHG emissions reduction target of 80 percent below 1990 levels by 2050. While the proposed project supports the progress towards these long term goals, it cannot yet be demonstrated that Menlo Park will achieve such reduction goals. Achieving the reductions will require a substantial commitment to technology development and innovation. Since there are no post 2020 federal and state measures that would assist the City in achieving the efficiency target for the year 2040, the impact would be considered potentially significant and unavoidable.

Population and Housing

The proposed ConnectMenlo land use changes would add residential land uses and allow greater intensity in commercial development, which could result in an increase in population and employees above what ABAG has projected. Because ABAG's planning documents for regional growth do not include the new development potential under the proposed ConnectMenlo project, implementation of the project would introduce growth where adequate planning in the region has not yet occurred. Therefore, the impact is considered potentially significant and unavoidable. ABAG prepares forecasts of the region's population and employment every two to four years. When ABAG does its future forecasting, it will take into consideration the General Plan update, which will bring the two planning documents into alignment.

Transportation and Circulation

The Transportation and Circulation chapter of the Draft EIR includes analysis for three scenarios: 2014 Existing Conditions, 2040 No Project Conditions, and 2040 Plus Project Conditions. The impacts of the land use and circulation modifications proposed as part of project were evaluated on vehicular traffic conditions during the peak hours and daily, regional routes of significance, pedestrian and bicycle facilities, transit service and delay to transit vehicles, and vehicle miles traveled (VMT). This is the second environmental review document prepared by the City incorporating VMT analysis and thresholds of significance (the Facebook Campus Expansion Project EIR was the first). VMT is simply the miles traveled by vehicles in a specified area in a specified time period. It is a key factor in determining greenhouse gas (GHG) emissions from transportation sources, and is also used as an input to the GHG and air quality analyses for environmental review purposes. Thresholds were developed following draft guidelines issued in January 2016 from the California Governor's Office of Planning and Research (OPR).

A citywide travel demand model was developed to forecast traffic volumes in the study area with potential land use changes identified in ConnectMenlo. The city model refines the regional travel model maintained by the Valley Transportation Authority (VTA) and San Mateo City/County Association of Governments (C/CAG) to add detail to the land use and circulation networks within the model. The new model has the appropriate level of detail to provide refined transportation forecasts within Menlo Park, and is responsive to congestion on corridors to provide a more realistic picture of traffic patterns during commute hours.

The Draft EIR determined that impacts to pedestrian conditions, bicycle facilities, transit service, and vehicle miles traveled would be less than significant, or less than significant with mitigation. However, the transportation impacts on intersections, roadway segments, and routes of regional significance have been determined to be potentially significant. The list below summarizes the intersections that were identified to have significant impacts:

- #1. Sand Hill Road/I-280 Northbound Off-Ramp
- #2. Sand Hill Road/I-280 Northbound On-Ramp
- #28. El Camino Real/Ravenswood-Menlo Avenues
- #33. Willow Road/Newbridge Street
- #36. Willow Road/Hamilton Avenue
- #37. Willow Road/Bayfront Expressway
- #38. University Avenue/Bayfront Expressway
- #45. Chilco Street/Constitution Drive
- #46. Chrysler Drive/Constitution Drive
- #47. University Avenue/Adams Drive
- #51. University Avenue/Bay Road
- #54. University Avenue/Donohoe Street
- #56. University Avenue/US 101 Southbound Ramp
- #60. Chilco Street/Hamilton Avenue

The following list identifies the roadway and routes of regional significance segments that were identified to have significant impacts:

- | | |
|----------------------------|-------------------------------|
| • Adams Drive | • Middlefield Road |
| • Alameda de las Pulgas | • Newbridge Street |
| • Alma Street | • Oak Grove Avenue |
| • Alpine Road | • O'Brien Drive |
| • Bay Road | • Olive Street |
| • Chilco Street | • Ravenswood Avenue |
| • Constitution Drive | • Ringwood Avenue |
| • Encinal Avenue | • Sand Hill Road |
| • Hamilton Avenue | • Santa Cruz Avenue |
| • Haven Avenue | • Sharon Park Drive |
| • Ivy Drive | • Waverley Street |
| • Junipero Serra Boulevard | • Willow Road |
| • Laurel Street | • Bayfront Expressway (SR 84) |
| • Linfield Drive | • US 101 |
| • Marsh Road | • University Avenue (SR 109) |

Strategies to reduce or eliminate impacts have been specified for most intersections/segments routes, including both physical infrastructure modifications and vehicle trip reduction requirements (the proposed Zoning Code includes a requirement that all projects reduce vehicle trips by 20 percent over standard rates). Additionally, the proposed Circulation Element contains goals, policies, and programs serving to minimize potential adverse impacts. These proposed policies would adopt a new street classification system; develop a citywide Transportation Master Plan and updated Transportation Impact Fee Program; encourage multi-modal transportation options through infrastructure, education, and safety programs; and participate in the formation of a Transportation Management Association to assist employers and community members to take advantage of travel options.

While mitigation measures are proposed to help reduce the impact, the impacts on intersections, roadway segments, and routes of regional significance would remain significant and unavoidable due to factors such as the need to acquire right-of-way to widen impacted roadway segments, the City cannot guarantee identified improvements would occur, or the need for approvals from other agencies. With these impacts, it should be noted that the identification of program-level impacts do not preclude the finding of less-than-significant impacts for subsequent projects that comply with the applicable thresholds of significance.

Alternatives

The Draft EIR includes a review of three different project alternatives. The discussion of the alternatives is intended to inform the public and decision makers of feasible alternatives to the proposed project that would avoid or substantially lessen any significant effects of the proposed project, even if the alternatives would impede to some degree the attainment of the project objectives, or would be more costly.

- No Project Alternative: Pursuant to CEQA, this alternative is required as part of the “reasonable range of alternatives” to allow decision makers to compare the impacts of approving the proposed project with the impacts of taking no action or not approving the project. Future development permitted under this scenario would not increase development potential in Menlo Park beyond what would be currently allowed today under the existing General Plan.
- Reduced Non-Residential Intensity Alternative: Under this alternative, all non-residential development under the proposed project would be reduced by 50 percent, but the proposed residential development would remain the same. Development potential under the existing General Plan would also remain.
- Reduced Intensity Alternative: Under this alternative, the net new development potential in the M-2 Area would be reduced by 25 percent. Potential development under the existing General Plan would remain unchanged.

In addition to the discussion and comparison of impacts of the proposed project and the alternatives, CEQA Guidelines require that an “environmentally superior” alternative be identified, but it cannot be the “No Project” alternative. The Draft EIR identifies the Reduced Non-Residential Intensity Alternative as the environmentally superior alternative because it would result in fewer significant impacts than the Reduced Intensity Alternative. This is in part because the equal reduction of jobs and housing in the Reduced Intensity Alternative would maintain the current imbalance, which could result in higher vehicles miles traveled than both the proposed project and the Reduced Non-Residential Intensity Alternative.

Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program

As part of its consideration of the merits of the project, the Planning Commission and City Council will need to review and consider the Statement of Overriding Considerations (SOC) along with the Mitigation Monitoring and Reporting Program (MMRP). The draft resolution for the SOC and the MMRP are included in Attachment K. The Planning Commission is a recommending body on the certification of the EIR, the SOC, and the MMRP. The draft SOC outlines the economic, environmental and social public benefits of

the project. The MMRP includes the feasible mitigation measures identified in the EIR. The MMRP is designed to aid the City of Menlo Park in its implementation and monitoring of measures adopted from the certified EIR. Compliance with the MMRP is proposed to be incorporated into Title 16, the Zoning Ordinance, and any future project in the City would need to comply with the applicable measures.

Correspondence

After the close of the Draft EIR comment period, the City received two additional items of correspondence on the Draft EIR. Although not part of the Final EIR, the comments have been provided responses, and a memo is included as Attachment L. The comments do not trigger a need for recirculation as they do not contain “significant new information,” as defined in the CEQA Guideline Section 15088.5, which includes new or substantially more severe environmental impacts, new mitigation measures or alternatives, or information on indicating that the Draft EIR is fundamentally or basically inadequate. No revisions need to be made to the Draft EIR based upon these late comment letters.

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, notification by mail of owners and occupants within a 1,250-foot radius of the M-2 Area boundary, and notification by mail or email to interested agencies, jurisdictions and individuals who provided comments on the Draft EIR. In addition, the ConnectMenlo project page is available at www.menlopark.org/connectmenlo. This page provides up-to-date information about the project page, allowing interested parties to stay informed of its progress.

Attachments

- A. [Draft Resolution Approving the General Plan Land Use and Circulation Elements](#)
- B. [Draft Ordinance Adding the Office \(O\) Zoning District to Title 16 of the Municipal Code](#)
- C. [Draft Ordinance Adding the Life Sciences \(LS\) District to Title 16 of the Municipal Code](#)
- D. [Draft Ordinance Adding the Residential Mixed Use \(R-MU\) District to Title 16 of the Municipal Code](#)
- E. [Draft Ordinance Amending Chapter 16.40, C-2-B \(Neighborhood Commercial District, Restrictive\) and Chapter 16.72 \(Off Street Parking\) of Title 16 of the Municipal Code](#)
- F. [Draft Ordinance of the City Council Amending Chapter 16.02 \(General Provisions\), Chapter 16.68 \(Buildings\), Chapter 16.80 \(Nonconforming Uses and Buildings\), and Chapter 16.82 \(Permits\) of Title 16 of the Municipal Code](#)
- G. [Draft Ordinance Rezoning Certain Properties within the M-2 Area](#)
- H. [Draft Resolution Approving the Community Amenities List](#)
- I. [Correspondence Received After May 23, 2016](#)
- J. [General Plan and M-2 Area Zoning Update Fiscal Impact Analysis](#)
- K. [Draft Resolution Adopting the CEQA Findings, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program, and Certifying the Final EIR for the General Plan and M-2 Area Zoning Update](#)
- L. [Memorandum Responding to Correspondence on the Draft EIR Received After the End of the Comment Review Period](#)
- M. [Final Environmental Impact Report for the General Plan and M-2 Area Zoning Update](#) (<http://www.menlopark.org/1013/Environmental-Impact-Report>)

Report prepared by:
Deanna Chow, Principal Planner

Report reviewed by:
Arlinda Heineck, Community Development Director