



## REGULAR MEETING AGENDA

**Date:** 12/12/2022  
**Time:** 7:00 p.m.  
**Location:** Zoom.us/join – ID# 871 4022 8110 and  
Council Chambers  
751 Laurel St., Menlo Park, CA 94025

### NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

Consistent with Government Code section 54953(e), and in light of the declared state of emergency, and maximize public safety while still maintaining transparency and public access, members of the public can listen to the meeting and participate using the following methods.

#### How to participate in the meeting

- Access the live meeting, in-person, at the Council Chambers
- Access the meeting real-time online at:  
[zoom.us/join](https://zoom.us/join) – Meeting ID# 871 4022 8110
- Access the meeting real-time via telephone (listen only mode) at:  
(669) 900-6833  
Regular Meeting ID # 871 4022 8110  
Press \*9 to raise hand to speak
- Submit a written comment online up to 1-hour before the meeting start time:  
[PlanningDept@menlopark.org](mailto:PlanningDept@menlopark.org) \*  
Please include the agenda item number you are commenting on.

\*Written comments are accepted up to 1 hour before the meeting start time. Written messages are provided to the Planning Commission at the appropriate time in their meeting.

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, county and local orders, the format of this meeting may be altered or the meeting may be canceled. You may check on the status of the meeting by visiting the City's website [www.menlopark.gov](http://www.menlopark.gov). The instructions for logging on to the webinar and/or the access code is subject to change. If you have difficulty accessing the webinar, please check the latest online edition of the posted agenda for updated information ([menlopark.gov/agenda](http://menlopark.gov/agenda)).

## Regular Meeting

### A. Call To Order

### B. Roll Call

### C. Reports and Announcements

### D. Public Comment

Under “Public Comment,” the public may address the Commission on any subject not listed on the agenda. Each speaker may address the Commission once under public comment for a limit of three minutes. You are not required to provide your name or City of residence, but it is helpful. 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 October 3, 2022, Planning Commission meeting. ([Attachment](#))

### F. Public Hearing 1

- F1. Consider and adopt a resolution to deny a variance to reduce the number of required off-street parking spaces from two compliant spaces to one compliant space and to approve a use permit to demolish an existing one-story, single-family residence and construct a new two story residence on a substandard lot with regard to minimum lot width in the R-1-U (Single Family Urban Residential) zoning district, at 715 Laurel Avenue; determine this action is categorically exempt under CEQA Guidelines Section 15303's Class 3 exemption for new construction of small structures. The project includes an attached ADU which is a permitted use. ([Staff Report #22-071-PC](#))

F2 and G1 are associated items with a single staff report

- F2. Public hearing to receive comments on the Draft Environmental Impact Report (Draft EIR) for the proposed 123 Independence Drive Project that would redevelop the project site (119, 123-125, and 127 Independence Drive, 130 Constitution Drive, and 1205 Chrysler Drive) with a new apartment building with 316 units and 116 three story for-sale townhome condominium units. The five existing office and industrial buildings totaling approximately 103,000 square feet would be demolished. The project site is located in the R-MU-B (Residential Mixed Use-Bonus) zoning district. The total gross floor area of residential uses on the site would be approximately 476,962 square feet with a total floor area ratio of 134 percent. The proposal includes a request for an increase in floor area ratio (FAR) and density under the bonus level development allowance in exchange for community amenities. The proposed project includes 48 rental apartment units and 18 for-sale townhome units (15 percent of the total units) affordable to low-income households pursuant to the City's BMR Housing Program and Guidelines. The applicant is currently proposing to provide eight additional rental BMR units affordable to low-income households as the community amenity in exchange for bonus level development. The proposal also includes a request for a vesting tentative map for a major subdivision and a use permit for storage and use of hazardous materials (diesel fuel) for emergency back-up generator. The proposed project would remove 29 heritage trees. ([Staff Report](#)

[#22-072-PC](#))

**G. Study Session 1**

- G1. Request for a study session for a use permit, architectural control, below market rate housing agreement, and vesting tentative map for the 123 Independence Drive Project to redevelop the project site (119, 123-125, and 127 Independence Drive, 130 Constitution Drive, and 1205 Chrysler Drive) with a new apartment building with 316 units and 116 three story for-sale townhome condominium units. The five existing office and industrial buildings totaling approximately 103,000 square feet would be demolished. The project site is located in the R-MU-B (Residential Mixed Use-Bonus) zoning district. The total gross floor area of residential uses on the site would be approximately 476,962 square feet with a total floor area ratio of 134 percent. The proposal includes a request for an increase in floor area ratio (FAR) and density under the bonus level development allowance in exchange for community amenities. The proposed project includes 48 rental apartment units and 18 for-sale townhome units (15 percent of the total units) affordable to low-income households pursuant to the City's BMR Housing Program and Guidelines. The applicant is currently proposing to provide eight additional rental BMR units affordable to low-income households as the community amenity in exchange for bonus level development. The proposal also includes a request for a vesting tentative map for a major subdivision and a use permit for storage and use of hazardous materials (diesel fuel) for emergency back-up generator. The proposed project would remove 29 heritage trees. ([Staff Report #22-072-PC](#))

**H. Public Hearing 2**

H1 and I1 are associated items with a single staff report

- H1. Request for an Environmental Impact Report (EIR) Scoping Session for the Parkline Master Plan project to comprehensively redevelop an approximately 63.2-acre site located at 301 and 333 Ravenswood Avenue and 555 and 565 Middlefield Road. The proposed project would redevelop SRI International's research campus by creating a new office/research and development, transit-oriented campus with no net increase in commercial square footage, up to 550 new rental housing units (with a minimum of 15% of the units available for below market rate households), new bicycle and pedestrian connections, and approximately 25 acres of publicly accessible open space. The proposed project would demolish all existing buildings, excluding Buildings P, S, and T, which would remain on-site and operational by SRI and its tenants. The proposed project would organize land uses generally into two land use districts within the project site, including 1) an approximately 10-acre Residential District in the southwestern portion of the project site; and 2) an approximately 53-acre Office/R&D (research and development) District that would comprise the remainder of the project site. In total, the proposed project would result in a total of approximately 1,898,931 square feet, including approximately 1,380,332 square feet of office/R&D and approximately 518,599 square feet of residential uses (including up to 450 rental residential units). In addition, the proposed project would establish a separate parcel of land that is proposed to be leased to an affordable housing developer for the future construction of a 100 percent affordable housing or special needs project which would be separately rezoned as part of the proposed project for up to 100 residential units (in addition to the residential units proposed within the Residential District), and which is not included in residential square footage calculations as the square footage has not been determined. The EIR will study two potential project variants, one that includes an approximately 2 million gallon buried concrete water reservoir and associated facilities, and one that includes an additional 50 residential units for a total of up to 600 dwelling units, inclusive of the standalone affordable housing building. The project site is zoned "C-1(X)" (Administrative and Professional District, Restrictive) and

governed by a Conditional Development Permit (CDP) approved in 1975, and subsequently amended in 1978, 1997, and 2004. The proposed project is anticipated to include the following entitlements: General Plan Amendment (Text and Map), Zoning Ordinance Amendment, Rezoning, Conditional Development Permit, Development Agreement, Architectural Control (for potential future Design Review) Heritage Tree Removal Permits, Vesting Tentative Map, Below Market Rate (BMR) Housing Agreement and Environmental Review. A Notice of Preparation (NOP) for the proposed project was released on Friday, December 2, 2022. The NOP provides a description of the proposed project, the location of the proposed project and its probable environmental effects. The EIR will address potential physical environmental effects of the proposed project, as outlined in the California Environmental Quality Act (CEQA). An initial study was not completed as it is anticipated this will be a full EIR and no topic areas will be scoped out with the exception of agricultural and forestry resources, mineral resources, and wildfire that are topic areas that are not anticipated to require further analysis. (The project site is located within a “transit priority area”, as defined, and thus pursuant to Public Resources Code Section 21099, aesthetic and parking impacts are not considered significant impacts on the environment. Accordingly, the analysis in the EIR will reflect this statutory directive. Nevertheless, the City still retains authority to consider aesthetic impacts pursuant to its design review authority.) The City is requesting comments on the scope and content of this EIR. The project location does not contain a toxic site pursuant to Section 6596.2 of the Government Code. Comments on the scope and content of the EIR are due by 5:00 p.m., Monday, January 9, 2023. ([Staff Report #22-073-PC](#))

## I. **Study Session 2**

- I1. Study session for the Parkline Master Plan project to comprehensively redevelop an approximately 63.2-acre site located at 301 and 333 Ravenswood Avenue and 555 and 565 Middlefield Road. The proposed project would redevelop SRI International’s research campus by creating a new office/research and development, transit-oriented campus with no net increase in commercial square footage, up to 550 new rental housing units (with a minimum of 15% of the units available for below market rate households), new bicycle and pedestrian connections, and approximately 25 acres of publicly accessible open space. The proposed project would demolish all existing buildings, excluding Buildings P, S, and T, which would remain on-site and operational by SRI and its tenants. The proposed project would organize land uses generally into two land use districts within the Project site, including 1) an approximately 10-acre Residential District in the southwestern portion of the Project site; and 2) an approximately 53-acre Office/R&D (research and development) District that would comprise the remainder of the Project site. In total, the Proposed Project would result in a total of approximately 1,898,931 square feet, including approximately 1,380,332 square feet of office/R&D and approximately 518,599 square feet of residential uses (including up to 450 rental residential units). In addition, the proposed project would establish a separate parcel of land that is proposed to be leased to an affordable housing developer for the future construction of a 100 percent affordable housing or special needs project which would be separately rezoned as part of the proposed project for up to 100 residential units (in addition to the residential units proposed within the Residential District), and which is not included in residential square footage calculations as the square footage has not been determined. The EIR will study two potential project variants, one that includes an approximately 2 million gallon buried concrete water reservoir and associated facilities, and one that includes an additional 50 residential units for a total of up to 600 dwelling units, inclusive of the standalone affordable housing building. The project site is zoned “C-1(X)” (Administrative and Professional District, Restrictive) and governed by a Conditional Development Permit (CDP) approved in 1975, and subsequently amended in 1978, 1997, and 2004. The proposed project is anticipated to include the following entitlements: General Plan Amendment (Text

and Map), Zoning Ordinance Amendment, Rezoning, Conditional Development Permit, Development Agreement, Architectural Control (for potential future Design Review) Heritage Tree Removal Permits, Vesting Tentative Map, Below Market Rate (BMR) Housing Agreement and Environmental Review. ([Staff Report #22-073-PC](#))

## **J. Informational Items**

J1. 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: January 9, 2023
- Special Meeting: January 12, 2023

## **K. Adjournment**

At every regular meeting of the Planning Commission, in addition to the public comment period where the public shall have the right to address the Planning Commission on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Planning Commission on any item listed on the agenda at a time designated by the chair, either before or during the Planning Commission's consideration of the item.

At every special meeting of the Planning Commission, members of the public have the right to directly address the Planning Commission on any item listed on the agenda at a time designated by the chair, either before or during consideration of the item. For appeal hearings, appellant and applicant shall each have 10 minutes for presentations.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or prior to, the public hearing.

Any writing that is distributed to a majority of the Planning 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 by request by emailing the city clerk at [jaherren@menlopark.org](mailto:jaherren@menlopark.org). Persons with disabilities, who require auxiliary aids or services in attending or participating in Planning Commission meetings, may call the City Clerk's Office at 650-330-6620.

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 [menlopark.gov/agenda](http://menlopark.gov/agenda) and can receive email notification of agenda and staff report postings by subscribing to the "Notify Me" service at [menlopark.gov/subscribe](http://menlopark.gov/subscribe). Agendas and staff reports may also be obtained by contacting City Clerk at 650-330-6620. (Posted: 12/07/2022)



**REGULAR MEETING AGENDA DRAFT MINUTES**

**Date:** 10/03/2022  
**Time:** 7:00 p.m.  
**Meeting Location:** Zoom.us/join – ID# 871 4022 8110

**A. Call To Order**

Chair Chris DeCardy called the meeting to order at 7:00 p.m.

**B. Roll Call**

Chair DeCardy said Commissioner Barnes had indicated technical difficulties joining the meeting.

Present: Chris DeCardy (Chair), Linh Dan Do, Cynthia Harris (Vice Chair), Henry Riggs, Michele Tate

Absent: Andrew Barnes

Staff: Christine Begin, Planning Technician; Matt Pruter, Associate Planner; Corinna Sandmeier, Acting Principal Planner; Chris Turner, Associate Planner

**C. Reports and Announcements**

None

**D. Public Comment**

None

**E. Consent Calendar**

E1 Approval of minutes from the June 13, 2022, Planning Commission meeting. (Attachment)

E2 Approval of minutes from the June 27, 2022, Planning Commission meeting. (Attachment)

E3 Approval of court reporter’s transcript and minutes from the July 11, 2022, Planning Commission meeting. (Attachment)

**ACTION:** Motion and second (Harris/Do) to approve the consent calendar consisting of the minutes from the June 13 and 27, 2022 Planning Commission meetings and court reporter’s transcript and minutes from the July 11, 2022 Planning Commission meeting; passes 3-0-2-1 with Commissioners Riggs and Tate abstaining and Commissioner Barnes absent.



## F. Public Hearing

- F1. Consider and adopt a resolution to approve a use permit to remove an existing chain link fence and construct a new fence that would exceed the fence height/location requirements for properties fronting on Santa Cruz Avenue at 1975 Santa Cruz Avenue (Holy Cross Cemetery), in the R-1-S (Single Family Suburban) zoning district. The new fence would be 5.5 feet in height with column/bollard heights of 6.5 feet, and would feature a block base and columns with iron pickets in between. The existing auto entry gate and columns would remain. (Staff Report #22-052-PC)

Associate Planner Chris Turner noted an email received after publication of the staff report and that it commented on all three public hearing items on this agenda. He said the writer on this item indicated general support for this agenda item but requested that the cloth on the other portion of fence be repaired or replaced and made suggestions regarding heritage tree replacements.

Project applicant representatives Margaret Weimmer and Mark Melbye spoke on behalf of the project.

Chair DeCardy opened the public hearing and closed it as no persons requested to speak.

Ms. Weimmer, responding to Commission question, said they were willing to replace the cloth on the other portion of the fence to improve its appearance.

Chair DeCardy reopened the public hearing.

Public Comment:

- Carole Grace, District 5, requested that the green cloth be replaced in its entirety or removed entirely along the other section of fence.
- Victor Buathier, 1800 Santa Cruz Avenue, expressed concerns with removal of trees as well as the noise level on the side facing his home and suggested the fence be replaced by a wall and shrubs planted on that side to mitigate.

Chair DeCardy closed the public hearing.

Ms. Weimmer, responding to Commission question, said the city was requiring landscaping across the width and the plantings used would be drought resistant and maintained.

The Commission clarified with the applicant and staff that the site view at the corner for traffic had been reviewed by transportation division staff and approved, that the new gates were see-through, and that the height was to provide a physical boundary for the privately owned site and the public sidewalk.

Commissioner Riggs moved approval with the added condition to require replacement of the cloth on the portion of fence otherwise not changed by the proposed work. Commissioner Tate seconded the motion. Replying to Planner Turner, Chair DeCardy clarified with Commissioners Riggs and Tate that the additional condition would be subject to review and approval by Planning staff.

**ACTION:** Motion and second (Riggs/Tate) to adopt a resolution to approve a use permit to remove an existing chain link fence and construct a new fence that would exceed the fence height/location requirements for properties fronting on Santa Cruz Avenue at 1975 Santa Cruz Avenue (Holy Cross Cemetery), in the R-1-S (Single Family Suburban) zoning district with the following addition to the conditions of approval; passes 5-0-1 with Commissioner Barnes absent.

***Add Condition 2.b:*** Simultaneous with the submittal of a complete building permit application, the applicant shall indicate on the plans that the screening fabric on the chainlink fence proposed to remain shall be replaced with new screening fabric. The fabric shall be installed prior to final inspection subject to review and approval of the Planning Division

- F2. Consider and adopt a resolution to approve a use permit to exceed the maximum night time noise limit of 50 dBA, measured at residential property lines, to accommodate electric pool heating equipment for the approved Menlo Park Community Campus (MPCC) development currently under construction at 100 Terminal Avenue, in the in the PF (Public Facilities) zoning district. (Staff Report #22-053-PC)

Planner Turner said the email previously noted had also expressed concern about the noise from the heat pumps and suggested that noise would be cumulative with noise from Highway 101.

Cherrelle Jarrett, project manager, Meta representative, spoke on behalf of the project.

Chair DeCardy opened the public hearing.

Public Comment:

- Pam Jones, Belle Haven resident, said the excess noise was concerning as there were nearby residences and questioned if there were other no-gas alternatives to use.
- Carole Grace, District 5, said other solutions should be looked at as heat pumps were particularly noisy when they started up.

Chair DeCardy closed the public hearing.

The Commission questioned the noise level and options. Ms. Jarrett said acoustic silencers were not possible due to limited space, that the heat pumps required six feet of free airflow on all sides, and that runtimes would be dependent upon operation of the pool. Ethan Salter, Salter Associates, said they had looked at a number of machines and potential ways to mitigate noise but had not found an effective solution. Replying to the Commission regarding community outreach and mockups for noise, Mr. Salter described the type of “noise storyboard” that they had done for construction projects.

The Commission expressed concern that the noise impact at night on residents from the heat pumps operating was unknown and discussed relocating or using an alternative heating system.

Commissioner Riggs moved to deny the project; Commissioner Harris seconded the motion.



After further discussion with staff and the applicant representative regarding that action and its potential to delay the project, the Commission discussed alternatively the project bringing noise level into compliance which would not require a use permit and continuing the project. Commissioner Harris retracted her second to the motion to deny. Commissioner Riggs retracted his motion to deny.

Commissioner Riggs moved to continue the project to investigate alternate sources for the heat pump, alternate locations or siting of the heating system, and mechanisms to baffle or mitigate the sound.

Chair DeCardy asked if Commissioner Riggs would agree to requiring more proactive and engaged outreach to neighbors with some way to demonstrate the expected noise level. Commissioner Riggs accepted the suggestion. Chair DeCardy seconded the motion to continue.

Replying to Commissioner Do, Commissioner Riggs and Chair DeCardy said alternative sources would not include fossil fuel solutions. Commissioner Tate said the objective was that the residents could sleep at night and not be disturbed by equipment noise and with that she was uncomfortable limiting the solution to non-fossil fuel. She emphasized that residents know what the full impact of heating systems noise would be prior to installation. Commissioner Riggs suggested looking at natural gas for comparison. Chair DeCardy said he could support for comparative information, but fossil fuel should not be the solution.

**ACTION:** Motion and second (Riggs/DeCardy) to continue the item with the following direction to the applicant; passes 5-0-1 with Commissioner Barnes absent.

1. Research modifications to the project that would reduce the noise level including:
  - a. Alternate heat sources and equipment. Information on the noise produced by fossil fuel-powered heat sources should be provided for reference, but not be considered as an alternative heat source.
  - b. Alternate locations for the equipment
  - c. Noise-dampening enclosures or other physical noise barriers
2. Conduct additional outreach to the affected residents adjacent to the project, including a demonstration of the anticipated noise level

F3. Consider and adopt a resolution to approve a use permit for hazardous materials to install a diesel back-up generator for an under-construction development including a two-story office building and a three-story residential building with 27 residential units and an underground parking garage at 1540 El Camino Real in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The generator would be located in the underground garage under the office building. (Staff Report #22-054-PC)

Associate Planner Matt Pruter referred to the email previously mentioned and had for this project inquired whether the diesel generator was temporary, how it would be used and expressed concerns with noise and continued use of fossil fuels.

Rich Ying, project applicant, spoke on behalf of the project.

Chair DeCardy opened the public hearing.

Public Comment:

- Pam Jones, Belle Haven, expressed concerns with emissions using a fossil fuel generator.

Chair DeCardy closed the public hearing.

The Commission discussed with the applicant representative why an alternative battery powered system was infeasible because of the space needed for that and that the function of the system was to operate basement sump pumps in the event of a weather event and energy outage as part of the required onsite stormwater treatment.

Chair DeCardy reopened the public hearing.

Public Comment:

- Carole Grace, District 5, asked whether it had to be diesel and if it could be gasoline as that would release less particulates.

Replying to Chair DeCardy, Mr. Ying said that diesel fuel was stable for a very long time and that new diesel was fairly clean. He said a gasoline generator would need to have its fuel changed more frequently than diesel and that would increase the potential for hazardous spills.

Chair DeCardy closed the public hearing.

The Commission clarified with the applicant that natural gas generators were not an option as the sump pumps might be needed during an event that disrupted natural gas pipeline delivery.

The Commission discussed that the use of the diesel generator was minimal and emissions not great as a result, that the city was committed to non-fossil fuel energy solutions, and that the project brought needed housing and had reduced its parking spaces.

**ACTION:** Motion and second (DeCardy/Harris) to adopt a resolution to approve a use permit for hazardous materials to install a diesel back-up generator for an under-construction development including a two-story office building and a three-story residential building with 27 residential units and an underground parking garage at 1540 El Camino Real in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district; passes 5-0 with Commissioner Barnes absent.

## **G. Regular Business**

- G1. Consider and adopt a resolution to approve the Below Market Rate (BMR) Housing in-lieu fee for conversion of existing light industrial commercial space to research and development space in an existing commercial building over 10,000 square feet at 1190 O'Brien Drive, in the LS (Life Science) zoning district. The tenant improvement is subject to building permit approval and is not a discretionary action. (Staff Report #22-055-PC)

Planner Turner said there were no additions to the staff report.

Chair DeCardy opened for public comment and closed public comment as no persons requested to speak.

The Commission discussed a preference for actual housing but noted this was a zoning area lacking residential infrastructure and services.

**ACTION:** Motion and second (Riggs/Harris) to adopt a resolution to approve the Below Market Rate (BMR) Housing in-lieu fee for conversion of existing light industrial commercial space to research and development space in an existing commercial building over 10,000 square feet at 1190 O'Brien Drive, in the LS (Life Science) zoning district; passes 5-0-1 with Commissioner Barnes absent.

## **H. Informational Items**

### **H1. Future Planning Commission Meeting Schedule**

- Regular Meeting: October 24, 2022

Planner Sandmeier said the next meeting was October 24 and would include Willow Village.

- Regular Meeting: November 7, 2022

## **I. Adjournment**

Chair DeCardy adjourned the meeting at 9:30 p.m.

Staff Liaison: Corinna Sandmeier, Acting Principal Planner

Recording Secretary: Brenda Bennett



## STAFF REPORT

### Planning Commission

Meeting Date:

12/12/2022

Staff Report Number:

22-071-PC

### Public Hearing:

**Consider and adopt a resolution to deny a variance to reduce the number of required off-street parking spaces from two compliant spaces to one compliant space and to approve a use permit to demolish an existing one-story, single-family residence and construct a new two story residence on a substandard lot with regard to minimum lot width in the R-1-U (Single Family Urban Residential) zoning district, at 715 Laurel Avenue**

## Recommendation

Staff recommends that the Planning Commission adopt a resolution denying a variance to allow one compliant parking space where two spaces are required and approving a use permit to demolish an existing one-story, single-family residence and construct a new two-story residence on a substandard lot with regard to minimum lot width in the R-1-U (Single Family Urban Residential) zoning district. The proposal also includes an attached accessory dwelling unit (ADU), which is not subject to discretionary review. The draft resolution, including the recommended actions and conditions of approval, is included as Attachment A.

## Policy Issues

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

## Background

### *Site location*

The subject property is located on the western side of Laurel Avenue, between Durham Street and O'Keefe Street in the Willows neighborhood. All neighboring properties are also located in the R-1-U zoning district. A location map is included as Attachment B. This block of Laurel Avenue primarily features one-story ranch-style residences, with a few newer two-story residences in proximity to the subject site.

## Analysis

### *Project description*

The applicant is proposing to demolish the existing one-story, single-family residence, and construct a new two-story, single-family residence with an attached ADU. A data table summarizing parcel and project characteristics is included as Attachment C. The project plans and project description letter are included as Attachment A Exhibits A and B, respectively.

The proposed residence would be a two-bedroom, one and one half-bathroom home. The first floor would be shared living space, including the kitchen, dining room, living room, and family room. The second floor would contain the two bedrooms, one bathroom, laundry room, and an exterior balcony on the rear of the residence. The attached ADU would be a two-story ADU with the kitchen and half-bathroom on the first floor and a living room, bedroom, and full bathroom on the second floor. The required parking for the primary dwelling would be provided by an attached, front-loading, one-car garage and a second uncovered space in tandem with the covered space. The second uncovered space would not count as a compliant space for purposes of the minimum parking standards. The proposal includes a variance request to allow only one compliant space where two compliant spaces are required, which is analyzed in more detail below. The proposed residence would meet all other Zoning Ordinance requirements for setbacks, lot coverage, floor area limit (FAL), daylight plane, and height. Of particular note, the project would have the following characteristics with regard to the Zoning Ordinance:

- The proposed floor area would be at the maximum with 3,592 square feet proposed where 2,800 square feet is the maximum permitted. The main residence would be 2,762 square feet and the attached ADU would be 830 square feet and would exceed the maximum floor area limit, however the maximum FAL is permitted to be exceeded by up to 800 square feet in order to accommodate the ADU;
- The proposed residence and ADU would be well below the maximum building coverage with 27.9 percent proposed where 35 percent is the maximum;
- The proposed second floor of the main residence would be below the second floor limit with 1,141 square feet proposed where the maximum allowable second-story floor area is 1,400 square feet;
- The proposed residence would be below the maximum height, with 27 feet, three inches proposed where 28 feet is the maximum permitted height.
- The residence includes a daylight plane intrusion on the right side, which complies with the permitted intrusions per Section 16.67.020 of the Municipal Code.

The proposed residence would have a front setback of 23 feet 11 inches, and a rear setback of 54 feet, six inches, where 20 feet is required in either case. The residence is proposed to be built to the minimum five-foot required side setback on the right side, and at approximately five feet, six inches on the left side. The attached ADU would conform to the required side setback of the main residence, where four feet is the minimum required side setback. The proposed second story would be stepped back from the first story on all sides. The second story would be constructed directly above the first floor and would not step back from the first floor. The proposed residence would include a balcony on the rear which complies with the minimum balcony setbacks of 20 feet from the sides and 30 feet from the rear.

### ***Design and materials***

The applicant states that the proposed residence would be constructed in modern architectural style. The house would be oriented in an “L” shape, consistent with the existing footprint. Siding material would be primarily horizontal shiplap siding and formed concrete with vertical wood slat and perforated metal mesh accents. Windows would be metal clad with no gridding pattern. The residence would have additional metal features including the balcony railings and an awning over the front entry.

Most second-story windows on the front and rear would have a sill height of two feet, six inches, with additional floor to ceiling windows at the rear. All second-story windows on the right side have a minimum sill height of three feet. Second-story windows on the left side, which serve the ADU, would have sill heights of two feet, six inches. Due to the extent of the rear setback, staff believes the windows to the rear would not create privacy issues.

Staff believes that the scale, materials, and style of the proposed residence would result in a consistent aesthetic approach and are generally consistent with the broader neighborhood, given the similar architectural styles and sizes of structures in the area.

### **Variance**

As part of this proposal, the applicant is requesting a variance to provide only one compliant parking space where two compliant spaces are required. One additional, non-compliant parking space would be provided. The applicant has provided a variance request letter which is included as Attachment A Exhibit C. The required variance findings are evaluated below in succession:

1. *That a hardship peculiar to the property and not created by any act of the owner exists. In this context, personal, family or financial difficulties, loss of prospective profits and neighboring violations are not hardships justifying a variance. Further, a previous variance can never have set a precedent, for each case must be considered only on its individual merits;*

The applicant states that the hardship is to the fact that the property is substandard with regard to the minimum lot width. The applicant states that the 50-foot lot width limits the ability to provide a driveway of appropriate width to a two-car garage in the rear. Furthermore, the applicant states that it is undesirable to provide a garage-centric design by providing an attached, front-loading, two-car garage at the front of the residence.

Staff believes that this finding cannot be made since the desired aesthetic does not constitute a hardship particular to the lot. A second compliant parking space can be accommodated with relatively minor design adjustments. Additionally, neighboring properties which contain substandard parking conditions (i.e. only provide one compliant space), may not be used as justification for granting of a variance.

2. *That such variance is necessary for the preservation and enjoyment of substantial property rights possessed by other conforming property in the same vicinity and that a variance, if granted, would not constitute a special privilege of the recipient not enjoyed by his/her neighbors;*

The applicant states that the requested variance is necessary for the preservation of substantial property rights enjoyed by other properties in the vicinity because other residences in the area also only have one conforming parking space in a one-car garage, with a separate, non-compliant parking space in the driveway. The applicant states that relocating the proposed house further back on the property would reduce the amount of back yard space for the property that other properties enjoy.

Staff believes that allowing one compliant parking space would constitute a special privilege for the owners because other properties would be required to provide two compliant parking spaces upon re-development. The findings suggest that the preservation of property rights should be compared to other conforming properties. In this case, neighboring properties with one compliant space do not conform to current zoning standards, and therefore, should not be used as a compliant comparison for purposes of off-street parking requirements.

3. *That the granting of the variance will not be materially detrimental to the public health, safety, or welfare, or will not impair an adequate supply of light and air to adjacent property; and*

Although only providing one compliant parking space would create a substandard parking situation, staff

believes that this would not be particularly detrimental to the public health, safety, and welfare, or impair an adequate supply of light and air to the adjacent properties.

- 4. That the conditions upon which the requested variance is based would not be applicable, generally, to other property within the same zoning classification.*

The applicant states that the conditions upon which the variance is requested would not be applicable to other property in the same zoning district because the zoning regulations were developed for lots with a width of 65 feet in the R-1-U zoning district.

Staff believes that the conditions upon which the variance is requested would be applicable to other property in the same zoning district. The minimum lot width of 65 feet applies to new lots created in the R-1-U zoning district. Existing lots that do not meet the minimum lot width, depth, and/or area in their respective zoning districts are considered to be substandard, which are subject to the same development regulations as a standard lot. Substandard lots are common within the city, and a 50-foot lot width is not unique. A new residence on a substandard lot in the R-1-U zoning district with a 50-foot width would also be required to provide two compliant parking spaces, and therefore the conditions upon which the variance is requested would be applicable to other properties in the same zoning classification.

- 5. That the condition upon which the requested variance is based is an unusual factor that was not anticipated or discussed in detail during any applicable Specific Plan process.*

The property is not within any Specific Plan area. Hence, a finding regarding an unusual factor does not apply.

Approval of a variance requires that all five findings be made. Staff believes several of the findings cannot be made and recommends denial of the variance request. Findings to this effect are included in the draft resolution.

### ***Alternate site plan***

The applicant provided an alternate site plan that includes modifications to the proposed site plan that would allow the development to comply with the requirement to provide two compliant parking spaces. The modifications would be modest and consist of relocating the foot print on the site approximately nine feet further back on the property in order to accommodate a parking space that would be of sufficient size, outside of the front setback, and not in tandem with the parking space located in the garage. The design of the residence itself would not need to be modified. Staff believes this would be a relatively simple remedy and has included project-specific condition of approval 2.a. that would require this modification upon submittal of a building permit application.

### ***Trees and landscaping***

The applicant has submitted an arborist report (Attachment D), detailing the species, size, and conditions of on-site and nearby trees. The arborist report lists a total of four trees on and around the subject property of which three are heritage size (Trees #1, 2, and 4). There is one non-heritage Japanese maple tree (Tree #3) located on the property to the right. No trees included in the arborist report are proposed for removal. There are two additional small fruit trees (no tree number) on the property that would be relocated.

The arborist report includes tree protection recommendations for the pre-construction, construction, and post-construction phases of the project. As part of the project review process, the arborist report was

reviewed by the City Arborist. Implementation of all recommendations to mitigate impacts to the heritage trees identified in the arborist report would be ensured as part of condition 1h. The applicant has not proposed any additional landscaping at this time. Additional landscaping, if any, would be reviewed during the building permit stage.

### ***Flood zone***

The subject property is located within the “AE” zone established by the Federal Emergency Management Agency (FEMA). Within this zone, flood-proofing techniques are required for new construction and substantial improvements of existing structures. Stated in general terms, the finished floor must be at least one foot above the base flood elevation (BFE). The Public Works Department has reviewed and tentatively approved the proposal for compliance with FEMA regulations. The sections (Plan Sheet A-4.1) show the BFE (29.2 feet) in relation to the existing average natural grade (approximately 26.9 feet) and the finished floor elevation (30.2 feet).

### ***Correspondence***

The applicant does not state in their project description letter whether any outreach to neighbors was conducted. As of the publication of this report, staff has not received any direct correspondence regarding the project.

### ***Conclusion***

Staff believes that the design, scale, and materials of the proposed residence are generally compatible with the surrounding neighborhood. The modern style would be generally attractive and well-proportioned. Staff does not believe the variance findings can be made to allow one compliant parking space where two spaces are required. However, staff believes an alternate design provided by the applicant would be feasible to implement in order to comply with the off-street parking regulations. Staff recommends that the Planning Commission deny the variance and approve the use permit with the condition to make modifications that would accommodate the compliant parking space.

### ***Impact on City Resources***

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

### ***Environmental Review***

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

### ***Public Notice***

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

### ***Appeal Period***

The Planning Commission action will be effective after 15 days unless the action is appealed to the City Council, in which case the outcome of the application shall be determined by the City Council.



### **Attachments**

- A. Draft Planning Commission Resolution Adopting Findings of Approval for project Use Permit, including project Conditions of Approval
  - Exhibits to Attachment A
  - A. Project Plans
  - B. Project Description Letter
  - C. Variance Letter
  - D. Conditions of Approval
- B. Location Map
- C. Data Table
- D. Arborist Report

### **Disclaimer**

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

### **Exhibits to Be Provided at Meeting**

None

Report prepared by:  
Chris Turner, Associate Planner

Report reviewed by:  
Corinna Sandmeier, Acting Principal Planner

**PLANNING COMMISSION RESOLUTION NO. 2022-XX**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MENLO PARK DENYING (1) A VARIANCE TO ALLOW ONE OFF-STREET PARKING SPACE WHERE TWO ARE REQUIRED IN THE R-1-U (SINGLE-FAMILY URBAN RESIDENTIAL) ZONING DISTRICT, AND (2) APPROVING A USE PERMIT TO DEMOLISH AN EXISTING ONE-STORY RESIDENCE AND CONSTRUCT A NEW TWO-STORY RESIDENCE ON A SUBSTANDARD LOT WITH REGARD TO MINIMUM LOT WIDTH IN THE R-1-U ZONING DISTRICT**

**WHEREAS**, the City of Menlo Park (“City”) received an application requesting a use permit to construct a new two-story, single-family residence on a substandard lot in the R-1-U zoning district. The project includes a request for a variance to allow one compliant off-street parking space where two are required (collectively, the “Project”) from Vineet Mehta (“Owner” and “Applicant”), located at 715 Laurel Avenue (APN 062-204-130) (“Property”). The variance and use permit are depicted in and subject to the development plans and documents which are attached hereto as Exhibit A through Exhibit C and incorporated herein by this reference; and

**WHEREAS**, the Property is located in the Single Family Urban Residential (R-1-U) zoning district, which supports the construction of single family residences; and

**WHEREAS**, the proposed Project complies with all objective standards of the R-1-U district; and

**WHEREAS**, Section 16.72.020 of the Municipal Code requires two compliant off-street parking spaces for single-family residences; and

**WHEREAS**, the applicant proposes to provide one compliant parking space; and

**WHEREAS**, the applicant provided an alternative design that could accommodate a second compliant parking spaces; and

**WHEREAS**, the proposed Project was reviewed by the Engineering Division and found to be in compliance with City standards; and

**WHEREAS**, the Applicant submitted an arborist report prepared by Bo Firestone Consulting and Design which was reviewed by the City Arborist and found to be in compliance with the Heritage Tree Ordinance and proposes mitigation measures to adequately protect heritage trees in the vicinity of the project; and

**WHEREAS**, the Project, requires discretionary actions by the City as summarized above, and therefore the California Environmental Quality Act (“CEQA,” Public Resources Code Section §21000 et seq.) and CEQA Guidelines (Cal. Code of Regulations, Title 14,

§15000 et seq.) require analysis and a determination regarding the Project's environmental impacts; and

**WHEREAS**, the City is the lead agency, as defined by CEQA and the CEQA Guidelines, and is therefore responsible for the preparation, consideration, certification, and approval of environmental documents for the Project; and

**WHEREAS**, the Project is categorically except from environmental review pursuant to Cal. Code of Regulations, Title 14, §15303 et seq. (New Construction or Conversion of Small Structures); and

**WHEREAS**, all required public notices and public hearings were duly given and held according to law; and

**WHEREAS**, at a duly and properly noticed public hearing held on December 12, 2022, the Planning Commission fully reviewed, considered, and evaluated the whole of the record including all public and written comments, pertinent information, documents and plans, prior to taking action regarding the variance and use permit revision.

**NOW, THEREFORE, THE MENLO PARK PLANNING COMMISSION HEREBY RESOLVES AS FOLLOWS:**

**Section 1. Recitals.** The Planning Commission has considered the full record before it, which may include but is not limited to such things as the staff report, public testimony, and other materials and evidence submitted or provided, and the Planning Commission finds the foregoing recitals are true and correct, and they are hereby incorporated by reference into this Resolution.

**Section 2. Variance Findings.** The Planning Commission of the City of Menlo Park does hereby make the following Findings per Section 16.82.340 of the Zoning Ordinance pertaining to the denial of a variance:

1. That a hardship peculiar to the property and not created by any act of the owner does not exist; in that, the applicant states that providing a front-loading, two-car garage to comply with the parking standards creates an undesirable design but desired aesthetic is not a hardship particular to the lot.
2. That the variance is not necessary for the preservation and enjoyment or substantial property rights possessed by other conforming properties in the vicinity and that the variance, if granted, would constitute a special privilege of the recipient not enjoyed by his/her neighbors; in that, other substandard properties in the vicinity have redeveloped and have been required to provide two compliant parking spaces. Other properties in the vicinity that do not provide two compliant parking spaces are

older and not in compliance with current parking standards, and cannot be used to justify allowing one compliant parking space on the subject property.

3. That the granting of the variance will not be materially detrimental to the public health, safety, or welfare, or will not impair an adequate supply of light and air to adjacent property; in that locating the house closer to the front setback would allow more light and air into neighboring yards.
4. That the conditions upon which the requested variance is based would be applicable, generally, to property within the same zoning classification; in that, other substandard properties in the same zoning classification would be required to provide two compliant parking spaces upon redevelopment.
5. That the condition upon which the requested variance is based is an unusual factor that was not anticipated or discussed in detail during any applicable Specific Plan process; in that, the subject parcel is not located within a Specific Plan area.

**Section 3. Conditional Use Permit Findings.** The Planning Commission of the City of Menlo Park does hereby make the following Findings:

The approval of the use permit to construct a new two-story residence on a substandard lot in the R-1-U zoning district is based on the following findings which are made pursuant to Menlo Park Municipal Code Section 16.82.030:

1. That the establishment, maintenance, or operation of the use applied for will not, under the circumstance of the particular case, be detrimental to the health, safety, morals, comfort and general welfare of the persons residing in the neighborhood of such proposed use, or injurious or detrimental to property and improvements in the neighborhood or the general welfare of the city because:
  - a. Consideration and due regard were given to the nature and condition of all adjacent uses and structures, and to general plans for the area in question and surrounding areas, and impact of the application hereon; in that, the proposed use permit is consistent with the R-1-U zoning district and the General Plan because two-story residences are allowed to be constructed on substandard lots subject to granting of a use permit provided that the proposed residence conforms to applicable zoning standards, including, but not limited to, minimum setbacks, maximum floor area limit, and maximum building coverage.
  - b. The proposed residence would include the required number of off-street parking spaces when conditions of approval are implemented because one covered and one uncovered parking space would be required at a minimum, and one covered space and one uncovered parking space would be provided.

**Section 3. Variance and Conditional Use Permit.** The Planning Commission hereby denies the variance and approves use permit No. PLN2022-00016, which variance and use permit

revision are depicted in and subject to the development plans, project description letter, and variance letter which are attached hereto and incorporated herein by this reference as Exhibit A, Exhibit B, and Exhibit C, respectively. The Use Permit is conditioned in conformance with the conditions attached hereto and incorporated herein by this reference as Exhibit D.

**Section 5. ENVIRONMENTAL REVIEW.** The Planning Commission makes the following findings, based on its independent judgment after considering the Project, and having reviewed and taken into consideration all written and oral information submitted in this matter:

- A. The Project is categorically except from environmental review pursuant to Cal. Code of Regulations, Title 14, §15303 et seq. (New Construction or Conversion of Small Structures)

**Section 6. SEVERABILITY**

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project, shall continue in full force and effect unless amended or modified by the City.

I, Corinna Sandmeier, Acting Principal Planner and Planning Commission Liaison of the City of Menlo Park, do hereby certify that the above and foregoing Planning Commission Resolution was duly and regularly passed and adopted at a meeting by said Planning Commission on December 12, 2022, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this 12<sup>th</sup> day of December, 2022

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Corinna Sandmeier  
 Acting Principal Planner and Planning Commission Liaison  
 City of Menlo Park

Exhibits

- A. Project Plans

- B. Project Description Letter
- C. Variance Letter
- D. Conditions of Approval

# Mehta + Sharma Residence

715 LAUREL AVE, MENLO PARK, CA 94025



DESIGN DRAW BUILD

TYLER KOBICK, AIA  
2866 WEBSTER STREET  
OAKLAND, CA 94609  
510.833.2043  
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715 LAUREL AVE  
MENLO PARK, CA 94025

NOVEMBER 21, 2022

DEVELOPMENT PERMIT APPLICATION  
NUMBER: PLN2022-00016

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2. THIS DRAWING IS TO BE READ IN CONJUNCTION WITH ALL RELEVANT ARCHITECT'S, ENGINEER'S DRAWINGS AND SPECIFICATIONS

## IMMEDIATE VICINITY MAP



## SITE MAP



## GENERAL NOTES

- All construction shall conform to the 2019 California Building Code, and shall be equal to or exceed local and county minimum construction requirements.
- Engineer's notes take precedence over these notes.
- Structural steel shall conform to the requirements of the A.S.T.M.
- Written dimensions and notes take precedence over scaled drawings.
- Dimensions are from face of finish U.O.N.
- Site conditions take precedence over all notes and drawings. Builder shall notify designer of any discrepancies between the drawings and the field conditions.
- Flash and counterflashes to provide a watertight job. Stepflashes skylights and chimneys and all other perpendicular intersections.
- All material stored on the site shall be properly stacked and protected to prevent damage and deterioration until use. Failure to protect materials may be cause for rejection of work.
- Provide all necessary blocking and framing for light fixtures, electrical units, panels, HVAC equipment and all other items requiring same.
- All dimensions shall be verified in the field.
- Ceiling height dimensions are from finished floor or slab to the finished face of ceiling.
- Drawings indicated general and typical details of construction. Where conditions are not specifically indicated but are of similar character to details shown, details of construction shall be used subject to the review and approval of the architect.
- The contractor shall confine his/her operations on the site to areas permitted by the owner. The job site shall be maintained in a clean, orderly condition free of debris and litter, and shall not be unreasonably encumbered with any materials or equipment. Each subcontractor immediately upon completion of each phase of his/her work shall remove all trash and debris as a result of his/her operation.
- All materials shall be handled and installed per the manufacturer's specifications and recommendations.

## CONCRETE FOUNDATION NOTES

- Where drain rock is used, aggregate size to be 1" max and 3/4" min. Where drain pipe is used, lay perforated pipe with holes down.
- ### CARPENTRY NOTES
- All carpentry shall be carefully laid out, cut, fitted, and erected. Brace, plumb and/or level all members and place them to bear fully & accurately. Slide lock all joints and beams at bearings and ends. Nail, spike, or bolt as shown or as required.
  - Follow engineering calculations and details regarding all beams, trusses, rafters, joists, and connections. All timber connectors shall be I.C.B.O. rated and installed as recommended by manufacturer. Hardware indicated is from Simpson Strong-Tie catalog.
  - All beams to have full wood bearing to foundation below.

## PLUMBING NOTES

- Water piping shall be copper, typical
  - All fixtures to be selected by owner, U.O.N.
- ### ELECTRICAL NOTES
- Outdoor receptacles at grade shall be gft protected.
  - All fixtures to be selected by owner, U.O.N.

## FLOOD NOTES

- Contractor to confirm locations of beams with owner
- The project will be designed to comply with the City's Flood Damage Prevention Ordinance, Chapter 12, Section 42

## ABBREVIATIONS

PL or R	PENNY (NAIL)	D.	DEEP	H.R.	HAND RAIL	O.C.	OVER	T	TREAD
AND	PROPERTY LINE	DBL.	DOUBLE	H.	HIGH	O.C.	ON CENTER	T.B.	TROWEL BAR
— / —	ANGLE	DEPT.	DEPTH	H.B.	HOSE BIBB	O.D.	OUTSIDE DIAMETER	T.C.	TOP OF CURB
CL or C	AT CENTERLINE	D.F.	DETAIL	HCR.	HEADER	OFF.	OFFICE	T.D.	TE DOWN
CL or C	DIAMETER, ROUND	D.F.	DIAGNALS FR	HWD.	HARDWOOD	O.H.	OPPOSITE HAND	TEL.	TELEPHONE
CL or C	PERPENDICULAR	DIAM.	DIAMETER	HWR.	HARDWARE	O.P.P.	OPPOSITE	TEMP.	TEMPERATURE
⊕	POUND, NUMBER	DN.	DOWN	HR.	HOUR	PARTN.	PARTITION	TER.	TERRAZZO
⊕	EXISTING	DWG.	DRAWING	HT.	HEIGHT	PG.	PAGE	T&G	TONGUE AND GROOVE
(N)	NEW	D.O.	DOOR OPENING	I.D.	INSIDE DIAMETER	PLUMB.	PLUMBING	TG	TEE GROUT
A.B.	ANCHOR BOLT	DWR.	DRAWER	INCAND.	INCANDESCENT	PL.	PLATE	THK.	THICK
ABV.	ABOVE	DRWR.	DRAWER	INSUL.	INSULATION	PLAM.	PLASTIC LAMINATE	T.O.P.	TOP OF
ACCU.S.	ACCUSTICAL	D.S.	DISHWASHER	INT.	INTERIOR	PLAS.	PLASTER	T.O.C.	TOP OF CEILING
AD.	AREA DRAIN	DW.	DISHWASHER	INT.	INTERMEDIATE	PLYWD.	PLYWOOD	T.O.S.	TOP OF STRUCTURE
ADJ.	ADJUTABLE, ADJACENT	DW.	DISHWASHER	INT.	INTERMEDIATE	PRCST.	PREFABRICATED	T.O.W.	TOP OF WALL
A.F.F.	ABOVE FINISH FLOOR	E.	EAST	JST.	JOIST	PTDF.	PRESSURE TREATED DOUGLAS FR	TYP.	TYPICAL
AGGR.	AGGREGATE	E.F.	EXHAUST FAN	J.H.	JOIST HANGER	PT.	POINT	U.O.N.	UNLESS OTHERWISE NOTED
ALUM.	ALUMINUM	EFF.	EFFICACY	JT.	JOINT	PTD.	PAINTED		
ALT.	ALTERNATE	ELEC.	ELECTRICAL	KITCHEN	KITCHEN	R.	RADIUS	VCT.	VINYL COMPOSITION TILE
APPROX.	APPROXIMATE	ELEV.	ELEVATION	K.D.	KILN DRY	R.	RISE, RISER, REFRIGERATOR	VERT.	VERTICAL
ARCH.	ARCHITECT	E.P.	ELECTRICAL PANEL	L.B.	LAG BOLT	RB.	RESILIENT BASE	VGF.	VERTICAL GRAN FR
ASPH.	ASPHALT	EQU.	EQUIPMENT	L.A.	LAG LAMP	RECY.	RECYCLING	V.I.F.	VERIFY IN FIELD
BTW.	BETWEEN	EQUPT.	EQUIPMENT	L.A.M.	LAMINATE	REF.	REFERENCE	W	WIDE
BD.	BOARD	EXPO.	EXPOSED	L.A.V.	LAVATORY	REFR.	REFRIGERATOR	W.	WEST
BTUM.	BUTYLMINOUS	EXP.	EXPANDED	L.L.	LIGHT ROOM	REFR.	REFRIGERATOR	WI	WITH
BLDG.	BUILDING	EXT.	EXTERIOR	L.	LONG	REQD.	REQUIRED	WC	WATER CLOSET
BLK.	BLOCKING	L.	LIGHT	L.	LONG	RES.	RESILIENT	WDW.	WOOD
BLK.	BLOCKING	L.	LIGHT	L.	LONG	REV.	REVISION, REVISED	WDO.	WINDOWS
BM.	BEAM	L.R.	LIVING ROOM	L.	LONG	REF.	REFERENCE	WKP.F.	WORKPOINT
B.O.	BOTTOM OF	L.T.	LIGHT TUB	L.	LONG	R.O.	ROUGH OPENING	W.O.	WHERE OCCURS
B.R.	BEDROOM	L.V.	LAVATORY	L.	LONG	ROWD.	ROUGH OPENING	WS	WATER RESISTANT
CAB.	CABINET	L.	LONG	L.	LONG	R.W.L.	RUBBER SEAL	W.S.	WOOD SCREW
CEM.	CEMENT	L.M.	LAMINATE	L.	LONG	R.B.	RUBBER SEAL	WSCT.	WAINSCOT
CEM.PLAS.	CEMENT PLASTER	L.M.	LAMINATE	L.	LONG	S.	SOUTH	WT.	WEIGHT
CER.	CERAMIC	M.C.	MEDICINE CABINET	L.	LONG	S.B.	SUBSTRACK		
CI.	CAST IRON	M.E.	MECHANICAL	L.	LONG	S.C.	SOLID CORE		
C.J.	CONTROL JOINT	M.F.	MECHANICAL	L.	LONG	S.C.H.	SCHEDULE		
C.S.	CENTERLINE	M.M.	MANUFACTURER	L.	LONG	S.E.C.T.	SECTION		
CLG.	CEILING	M.M.	MANUFACTURER	L.	LONG	S.F.	SQUARE FOOT, SQUARE FEET		
CLG.	CEILING	M.M.	MANUFACTURER	L.	LONG	SH.	SHIELD		
CLO.	CLOSET	M.M.	MANUFACTURER	L.	LONG	SHR.	SHOWER		
CLR.	CLEAR	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		
C.O.	CLEAN OUT	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		
COL.	COLUMN	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		
COMP.	COMPOSITION	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		
CONC.	CONCRETE	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		
CONT.	CONTINUOUS	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		
CNT.	CERAMIC TILE	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		
CTR.	COUNTER	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		
CPT.	CARPET	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		
CTR.	CENTER	M.M.	MANUFACTURER	L.	LONG	SHT.	SHEET		

## SYMBOLS LEGEND

- 1.1.1 DRAWING TITLE
- 1.1.2 INTERIOR ELEVATION
- 1.1.3 EXTERIOR ELEVATION
- 1.1.4 T.O.W. 9" 3"
- 1.1.5 SECTION KEY
- 1.1.6 DETAIL PLAN KEY
- 1.1.7 WALL TYPE REFER TO WALL SCHEDULE
- 1.1.8 WINDOW TYPE REFER TO WINDOW SCHEDULE
- 1.1.9 DOOR TYPE REFER TO DOOR SCHEDULE

## DRAWING INDEX

- A-0.0 TITLE PAGE GENERAL
- A-0.1 EXTERIOR PHOTOS OF PROPERTY
- A-0.2 SURVEY
- A-0.3 SQUARE FOOTAGE CALCULATIONS
- A-0.4 VARIANCE DIAGRAMS
- A-1.0 EXISTING AREA PLAN + STREETScape
- A-1.1 PROPOSED AREA PLAN + STREETScape
- A-1.2 EXISTING SITE PLAN
- A-1.3 PROPOSED SITE PLAN
- A-2.0 EXISTING FIRST FLOOR PLAN
- A-2.1 PROPOSED FIRST FLOOR PLAN
- A-2.2 PROPOSED SECOND FLOOR PLAN
- A-3.0 FRONT + REAR ELEVATIONS
- A-3.1 SIDE ELEVATIONS
- A-4.0 SECTIONS
- A-4.1 SECTIONS
- A-5.0 FRONT PERSPECTIVE
- A-5.1 FRONT PERSPECTIVE
- A-5.2 REAR AXONOMETRIC
- A-5.3 REAR PERSPECTIVE
- A-5.4 MATERIAL PALETTE
- A-5.5 MATERIAL DETAILS

## SCOPE OF WORK

NEW 2,770 SQUARE FOOT SINGLE FAMILY RESIDENCE AND 830 SQUARE FOOT ATTACHED ADU TO REPLACE AN EXISTING SINGLE FAMILY HOME.  
NEW HOME HAS 2 BEDROOMS AND 1.5 BATHROOMS WITH A SINGLE CAR GARAGE AND OPEN PLAN LIVING ROOM AND KITCHEN.  
NEW ADU HAS 1 BEDROOM AND 2 BATHROOMS.  
THE MAIN HOME HAS A REAR SECOND FLOOR DECK.  
PERMIT INCLUDES GRADING UP TO NEW HOUSE LEVEL AT 1' ABOVE BASE FLOOD ELEVATION (BFE = 29.2' FOR PROPERTY)

## CODE SUMMARY

APN #: 062-204-130  
CONSTRUCTION TYPE: V-B  
OCCUPANCY TYPE: R-3 RESIDENTIAL  
ZONING: R-1 U SINGLE FAMILY URBAN RESIDENTIAL  
AE FLOOD ZONE  
BASE FLOOD ELEVATION (BFE): 29.2'  
DESIGN FLOOD ELEVATION (DFE): 30.2'

## SITE INFORMATION

	EXISTING	PROPOSED
# OF DWELLING UNITS	2	2
# OF PARKING SPACES	2 (1 CONFORMING)	2 (1 CONFORMING)
# OF BEDROOMS - MAIN BLDG.	2	1
FRONT YARD SETBACK	20 FT	20 FT
SIDE YARD SETBACK (L)	5 FT	5 FT
SIDE YARD SETBACK (R)	5 FT	5 FT
REAR YARD SET BACK	20 FT	20 FT
ADU SETBACKS	SAME AS MAIN HOUSE	
BUILDING HEIGHT - STORES	1	2
BUILDING HEIGHT	13' - 6"	27' - 3"
ADU HEIGHT	24' - 0"	
LOT AREA	7000 SF	7000 SF
GROSS BUILDING FLOOR AREA	1671 SF	2770 SF
GROSS ADU FLOOR AREA	830 SF	
BUILDING FOOTPRINT	1883 SF	1851 SF
ADU FOOTPRINT	262 SF	
BUILDING COVERAGE	26%	27.7%
PAVED COVERAGE	24%	23.0%
LANDSCAPE COVERAGE	50%	49.3%

## PROJECT TEAM

- OWNER: VINEET MEHTA AND KARISHMA SHARMA  
715 LAUREL AVE  
MENLO PARK, CA 94025
- ARCHITECT: TYLER KOBICK, AIA  
DESIGN DRAW BUILD INC.  
2866 WEBSTER STREET  
OAKLAND, CA 94609
- SURVEYOR: JEFF BARNEA  
783 14TH AVE  
MENLO PARK, CA 94025
- ARBORIST: BUSARA FRESTONE  
MILTAS, CA

## CODE REGULATIONS

THE FOLLOWING CODES AS AMENDED BY THE CITY OF MENLO PARK:  
THE 2019 CALIFORNIA RESIDENTIAL BUILDING CODE (INCORPORATES BY ADOPTION AND REPRINTS THE 2019 IBC/IRC BUILDING CODE WITH CALIFORNIA AMENDMENTS, PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF BUILDING OFFICIALS.)  
THE 2019 CALIFORNIA ENERGY CODE WITH NO LOCAL AMENDMENTS. CHECK THE CALIFORNIA ENERGY COMMISSION'S WEBSITE AT HTTP://WWW.ENERGY.CA.GOV FOR A DOWNLOADABLE VERSION. (PUBLISHED BY ICC)  
THE 2019 CALIFORNIA ELECTRICAL CODE (INCORPORATES BY ADOPTION AND REPRINTS THE 2019 NATIONAL ELECTRICAL CODE WITH CALIFORNIA AMENDMENTS, PUBLISHED BY THE NATIONAL FIRE PROTECTION AGENCY, NFPA)  
THE 2019 CALIFORNIA PLUMBING CODE (INCORPORATES BY ADOPTION AND REPRINTS THE 2019 UNIFORM PLUMBING CODE WITH CALIFORNIA AMENDMENTS, PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS, IAPMO).  
THE 2019 CALIFORNIA MECHANICAL CODE (INCORPORATES BY ADOPTION AND REPRINTS THE 2019 UNIFORM MECHANICAL CODE WITH CALIFORNIA AMENDMENTS, PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS, IAPMO).  
THE 2019 CALIFORNIA FIRE CODE (INCORPORATES BY ADOPTION AND REPRINTS THE 2019 INTERNATIONAL FIRE CODE WITH CALIFORNIA AMENDMENTS, PUBLISHED BY ICC)

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△	PLN SUBMISSION	03/10/22

TITLE PAGE GENERAL

Sheet Drawn By: JL

A-0.0



1. FRONT OF HOUSE - EAST ELEVATION



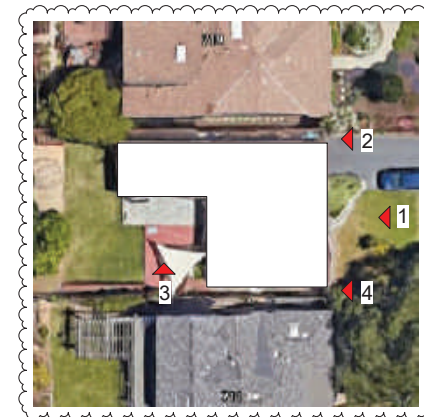
2. SIDE YARD - NORTH ELEVATION



3. REAR OF HOUSE - FACING NORTH



4. SIDE YARD - SOUTH ELEVATION



KEY PLAN



TYLER KOBICK, AIA  
2866 WEBSTER STREET  
OAKLAND, CA 94609  
510.833.2643  
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715 LAUREL AVE

MENLO PARK, CA 94025

NOVEMBER 21, 2022

DEVELOPMENT PERMIT APPLICATION  
NUMBER: PLN2022-00016

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EXTERIOR PHOTOS OF PROPERTY

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A-0.1



MENALTO PARK

BLOCK 6

16 APN: 062-204-030

8 APN: 062-204-120

15 APN: 062-204-020

9 APN: 062-204-130

13 APN: 062-204-170

10 APN: 062-204-140

13 MAPS 19

LAUREL AVE. ( 60' wide )

LEGEND

- Tree, as noted.
- EP Edge of pavement.
- 27.8; 27.8 Spot elevation.
- Conc. Concrete.
- Fence line, as noted.
- SSMh Sanitary sewer manhole.
- Ir. Irrigation control.
- Gnd. Ground.
- W.M. Water meter.
- SSCO Sanitary sewer cleanout.
- TFC Top, face of vertical curb.
- TC Top of curb.
- AD Area Drain grate.
- Grav. Gravel.
- Elect. Electric.
- RWL Rain water leader.
- CL Center line.
- FF Finish floor.
- FL Flow line.
- - - ZZ Contour line.
- Meas. Perpendicular tie measurement.

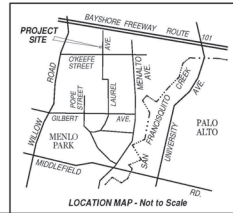
BOUNDARY SURVEY NOTE

Note: Per the latest City of Menlo Park's "Boundary and Topographic Survey Requirements" dated August 2015, I hereby state that this parcel's boundary was established by me or under my supervision and is based upon a field survey in conformance with the Land Surveyors Act. Measurements shown are of the character and occupy the positions indicated and are subject to enable the survey to be without.

NOTES

- This Topographic Survey Map was prepared from a ground survey done by Jeffrey M. Barnea, PLS in June, 2021.
- Unless noted otherwise, trees shown were located at the ground, trunk diameters were measured at 4.5' above ground and dielines were measured at time of survey as shown. The existing house, garage and other structures were measured at their outside wood trim or stucco facing. Perpendicular tie measurements (Meas.) are shown to the outside trim or stucco facing, not foundations.
- Boundaries are shown from the "Menalato Park" subdivision map filed in 13 Maps 19, San Mateo County Records. The 6' Easement is depicted hereon from information shown on the "Menalato Park" Map subdivision although the easement may or may not currently have an effect on this property. There may be other easements affecting this property not depicted on this drawing. This is not a record of survey map. The area of Lot 9, Block 6 per information shown upon the "Menalato Park" subdivision map is 7,000 s.f. +/-.
- Elevations shown upon this drawing were established using the City of Menlo Park Benchmark No. 4, a disk found on the top of curb near the intersection of Gilbert Ave. and Laurel Ave., El. = 34.76 per information taken from the City of Menlo Park website, and are in NAVD83 Datum.
- The final product delivered to owners Vineet Mehta and Karishma Sharma were signed bond prints. An electronic CAD version of this Map may be provided to the owners or their associates upon request. Any changes, revisions or additions made to this Map without the consent and approval of Jeffrey M. Barnea, PLS, is not the responsibility of Jeffrey M. Barnea, as the owners have agreed to in writing.

"Boundary" and Topographic Survey Map  
 Lands of Mehta and Sharma 715 Laurel Ave.  
 APN: 062-204-130  
 Menlo Park San Mateo County California  
 JEFFREY M. BARNEA, L.S. 7044 789 14TH AVE.  
 MENLO PARK, CA 94023 PH/FAX (650) 261-1862  
 SCALE: 1" = 8' 21-123 JUNE 2021



Jeffrey M. Barnea 10-07-22  
 Jeffrey M. Barnea, L.S. 7044 Date  
 License expires 12-31-22



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NOVEMBER 21, 2022  
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SURVEY

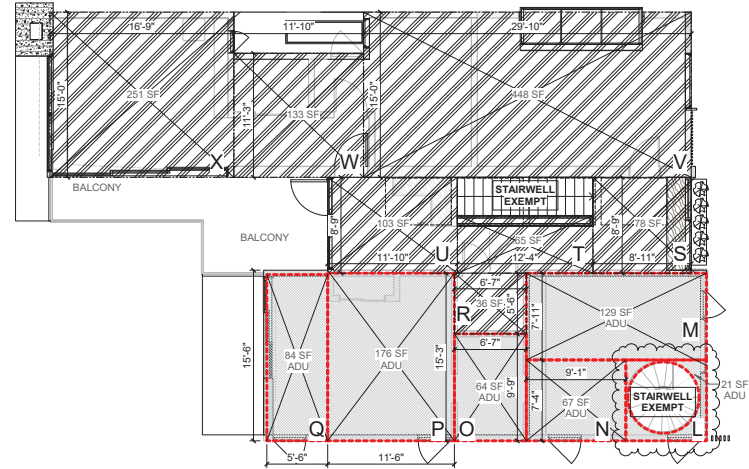
A-0.2

### FLOOR AREA LIMIT

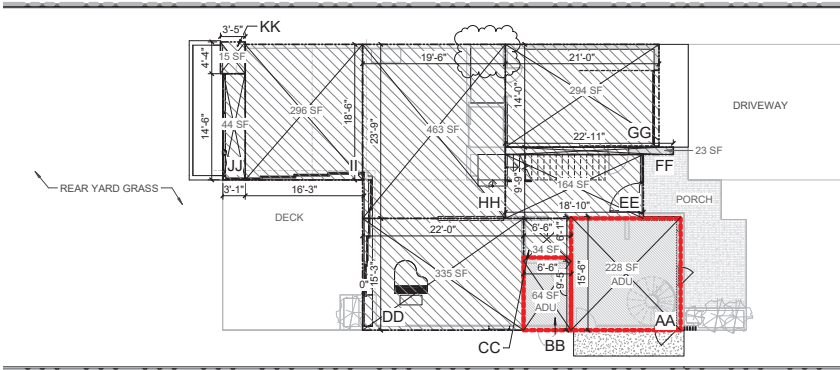
AREA	DIMENSIONS	SF
<b>FIRST FLOOR</b>		
		<b>1,937 SF</b>
A - ADU	5'-1" x 15'-6"	79 SF
B - ADU	9'-10" x 15'-3"	149 SF
C - ADU	6'-7" x 9'-5"	61 SF
D	15'-3" x 21'-9"	332 SF
E	6'-7" x 5'-10"	38 SF
F	8'-9" x 19'-1"	167 SF
G - GARAGE	15'-0" x 21'-3"	319 SF
H	23'-9" x 18'-5"	437 SF
J	14'-0" x 19'-7"	288 SF
K	16'-10" x 4'-0"	67 SF
<b>SECOND FLOOR</b>		
		<b>1,665 SF</b>
L - ADU	N/A	21 SF
M - ADU	16'-5" x 7'-11"	129 SF
N - ADU	9'-1" x 7'-4"	67 SF
O - ADU	9'-9" x 6'-7"	64 SF
P - ADU	15'-3" x 11'-6"	176 SF
Q - ADU	5'-6" x 15'-2"	84 SF
R	6'-7" x 5'-0"	38 SF
S	8'-11" x 8'-9"	78 SF
T	12'-4" x 5'-3"	65 SF
U	11'-10" x 8'-9"	103 SF
V	29'-10" x 15'-0"	448 SF
W	11'-10" x 11'-3"	133 SF
X	16'-9" x 15'-0"	251 SF
ADU		830 SF
MAIN HOUSE		2,762 SF
<b>TOTAL</b>		<b>3,592 SF</b>

### BUILDING COVERAGE

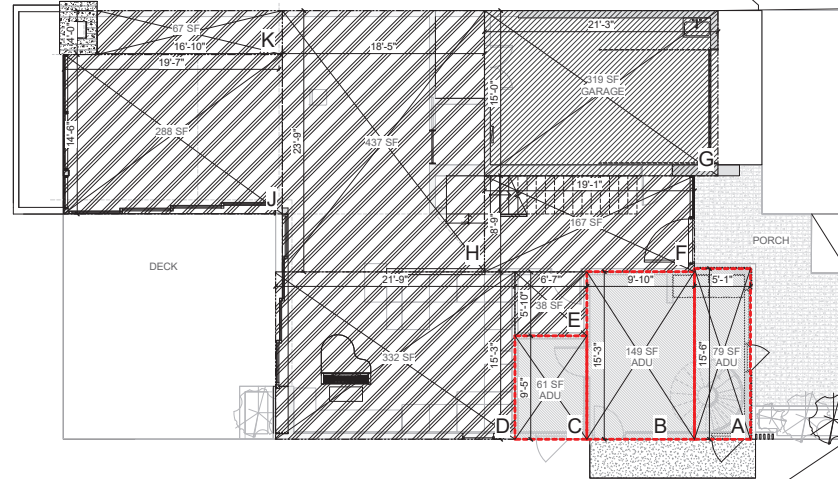
AREA	DIMENSIONS	SF
AA - ADU	15'-0" x 16'-3"	228 SF
BB - ADU	6'-6" x 9'-1"	64 SF
CC	6'-4" x 6'-4"	34 SF
DD	20'-5" x 16'-0"	335 SF
EE	16'-10" x 9'-6"	147 SF
FF	21'-5" x 1'-0"	23 SF
GG	21'-0" x 13'-6"	294 SF
HH	18'-0" x 24'-0"	463 SF
II	17'-0" x 19'-0"	296 SF
JJ	3'-1" x 14'-6"	44 SF
KK	4'-10" x 3'-5"	15 SF
ADU		292 SF
MAIN HOUSE		1,651 SF
<b>TOTAL</b>		<b>1,943 SF</b>



**3 SECOND FLOOR - FLOOR AREA**  
3/16" = 1'-0"



**1 BUILDING COVERAGE**  
1/8" = 1'-0"



**2 FIRST FLOOR - FLOOR AREA**  
3/16" = 1'-0"



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
SQUARE FOOTAGE CALCULATIONS

Sheet Drawn By: JL

**A-0.3**

**LEGEND**

 ALTERNATE DESIGN WHICH CONFORMS WITHOUT A VARIANCE

 CURRENT PROPOSED DESIGN



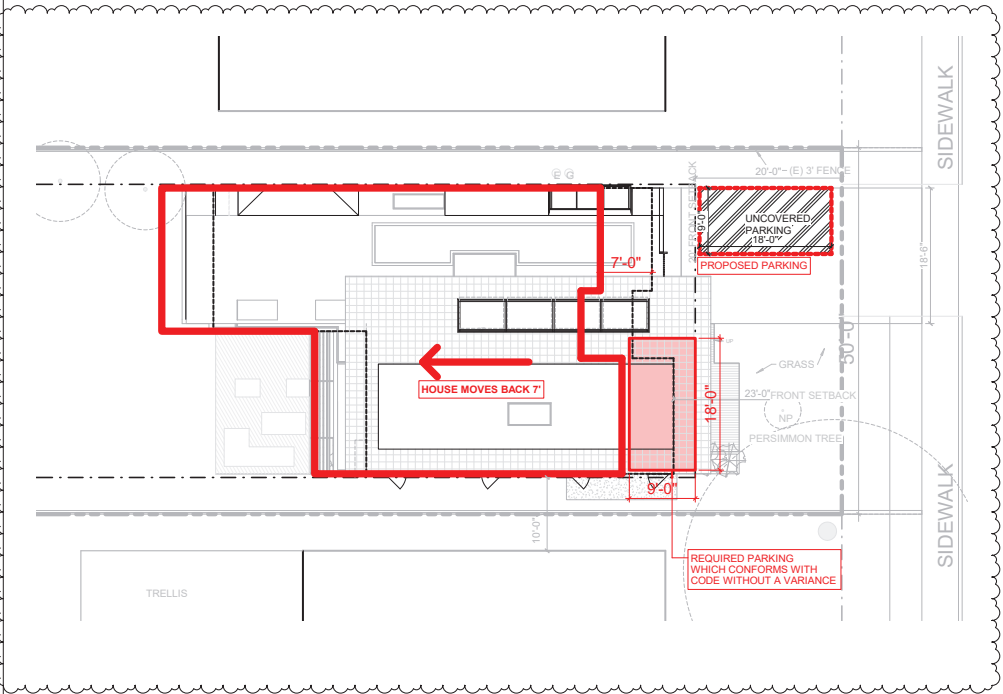
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**1** VARIANCE 1 - PROPOSED ALTERNATE  
 1/8" = 1'-0"

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VARIANCE DIAGRAMS

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**A-0.4**



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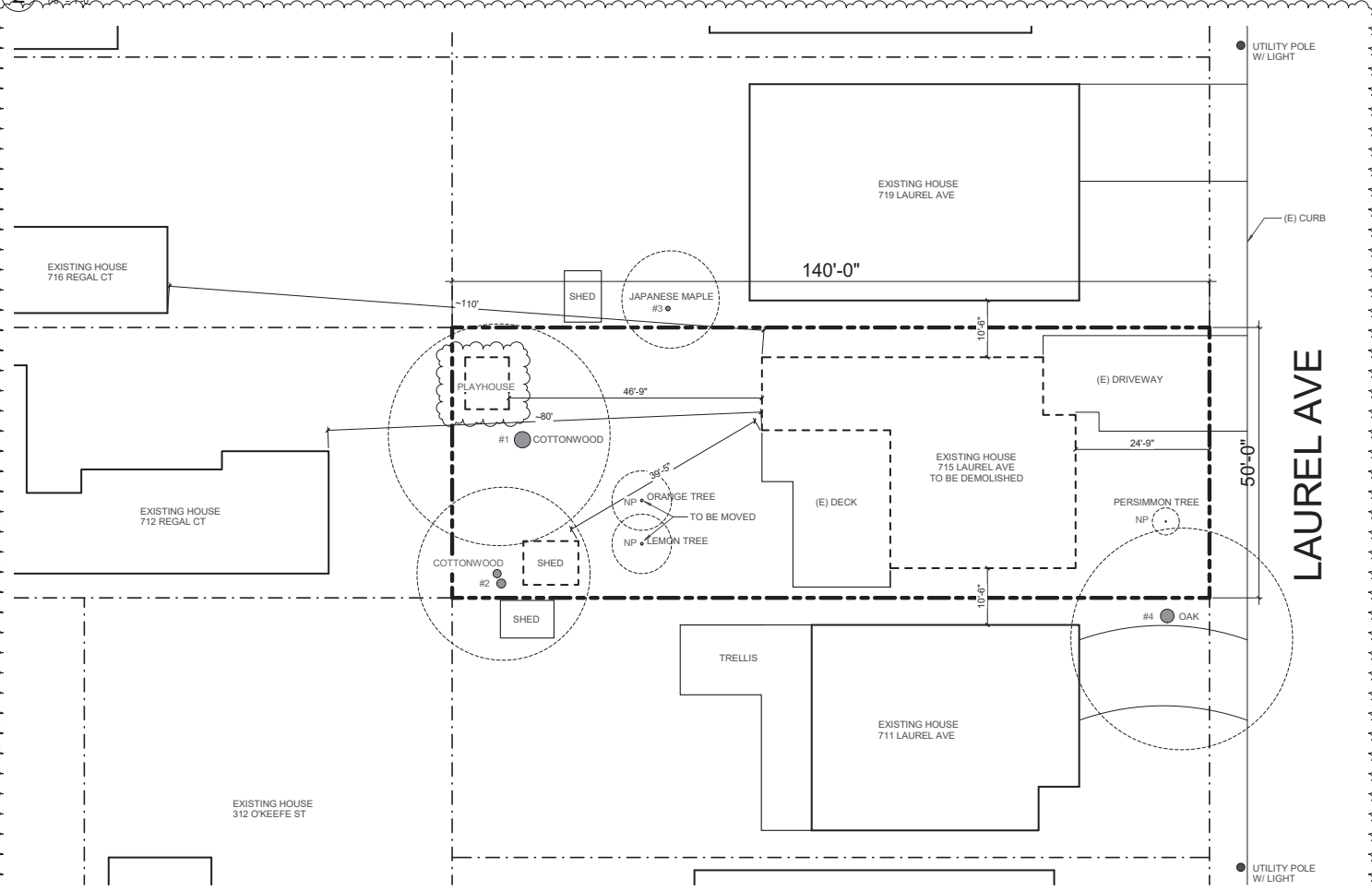
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**2 (E) STREETScape**



**1 (E) AREA PLAN**

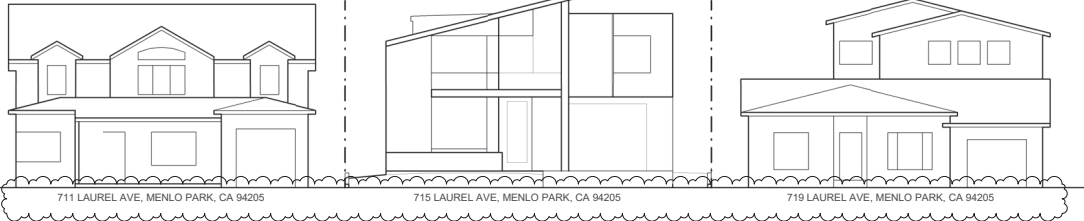


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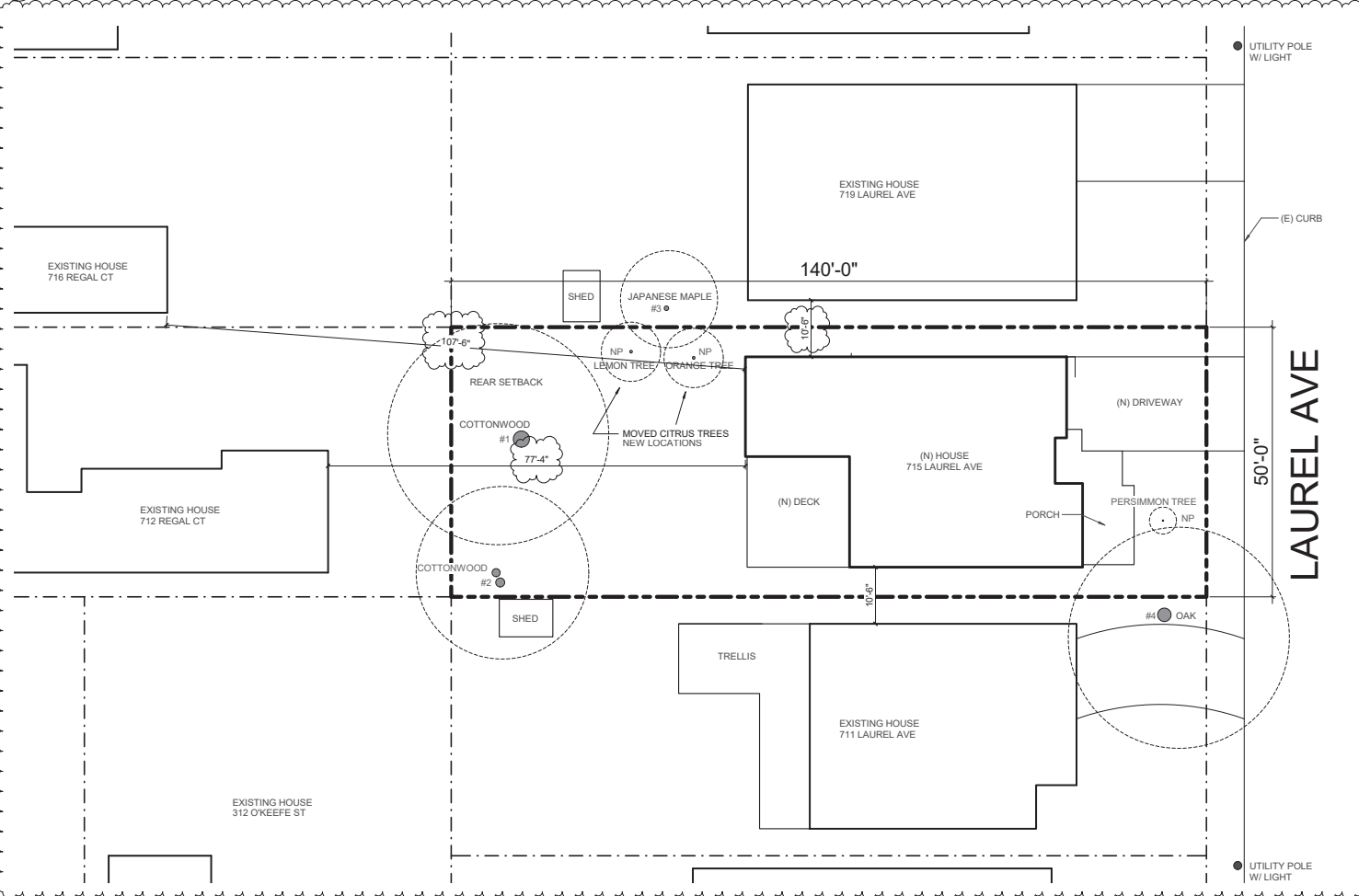
**EXISTING AREA PLAN**

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**A-1.0**



2 (N) STREETSCAPE  
1/8" = 1'-0"



1 (N) AREA PLAN  
1" = 10'-0"



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NEW AREA PLAN

Sheet Drawn By: JL

A-1.1

**AVERAGE NATURAL GRADE**

AVG. NORTH SIDE =  $(A + B) / 2 = (28.2 + 27.8) / 2 = 28.0'$

AVG. SOUTH SIDE =  $(C + D) / 2 = (28.3 + 27.9) / 2 = 28.1'$

DAYLIGHT PLANES TO BEGIN FROM 1' ABOVE AVG. NATURAL GRADE (PER VARIANCE) = 29'-0"

**TREE INVENTORY**

1. COAST LIVE OAK (HERITAGE) - 30" DBH, 40' CANOPY
2. COAST LIVE OAK (HERITAGE) - 2 x 20" DBH, 30' CANOPY
3. JAPANESE MAPLE - EST.10" DBH, 20' CANOPY
4. COAST LIVE OAK (HERITAGE) - EST 30" DBH, 50' CANOPY

**LEGEND**

- TO BE DEMOLISHED
- (E) ELECTRICAL METER
- (G) GAS METER

**SITE ANALYSIS**

ZONING: R-1-U SINGLE FAMILY URBAN RESIDENTIAL

LOT AREA	7000 SF
EXISTING FLOOR AREA OF HOUSE	1671 SF
FLOOR AREA OF SHED	82 SF
COVERED AREA ON SITE BUILDING COVERAGE	1841 SF
LANDSCAPED AREA	26%
LANDSCAPED AREA	3472 SF
LANDSCAPE COVERAGE	50%
PAVED + DECK AREA	1699 SF
PAVED + DECK COVERAGE	24%
PARKING	1 COV. / 1 UNCOV.



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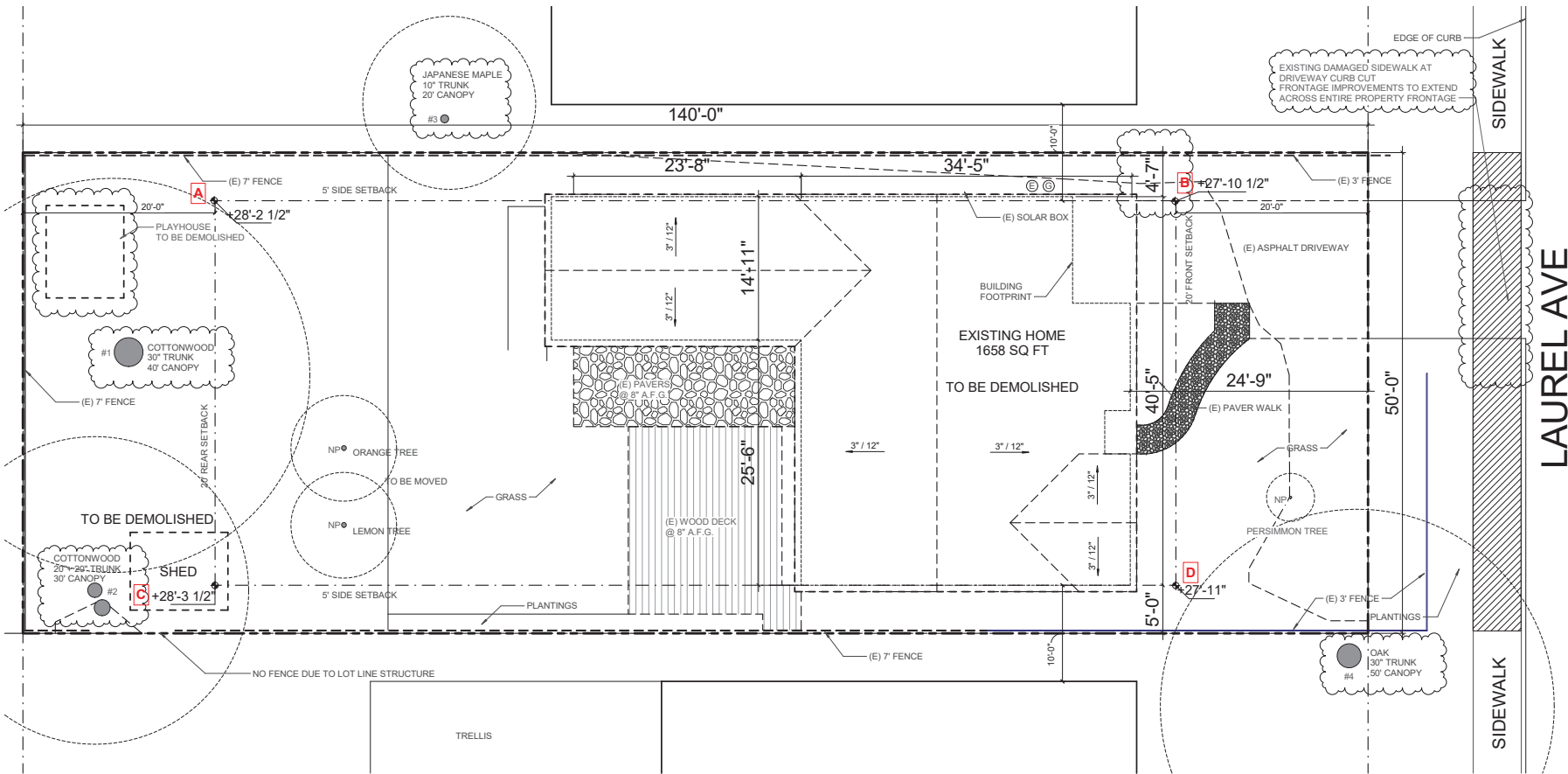
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**LAUREL AVE**

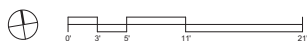
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EXISTING SITE PLAN

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**A-1.2**

① (E) SITE PLAN  
3/16" = 1'-0"



**TREE PROTECTION RECOMMENDATIONS PER ARBORIST REPORT**

TREES #1 AND #2:  
TPZ TRUNK WRAP TO SERVE AS PROTECTION DURING DEMOLITION OF SMALL STRUCTURES UNDER THESE TREES.

TREE #3 AND #4:  
EXISTING FENCE AT THE PROPERTY LINE TO SERVE AS PROTECTION FOR THESE TREES. DUE TO PROXIMITY OF WORK, ADDITIONAL FENCING WOULD NOT BE PRACTICAL.

TREE #4:  
WHEN EXCAVATING UNDERNEATH THE CANOPY, OR WITHIN 25' OF THE TRUNK, USE HAND TOOLS WITHIN THE FIRST 36 INCHES. LEAVE ROOTS ENCOUNTERED UNDISTURBED. IF WOODY ROOTS OVER ONE INCH NEED TO BE CUT, SEE "ROOT PRUNING" SECTION OF ARBORIST REPORT

ANYWHERE WORKERS AND VEHICLES WILL BE TRAVELING OVER BARE GROUND WITHIN FIFTEEN FEET OF A TREE'S DRIFLINE SHOULD HAVE MATERIAL APPLIED OVER THE GROUND TO DISPERSE THE LOAD. SEE ARBORIST REPORT ON PAGE 7 FOR DISPERSAL STRATEGIES.

**TREE INVENTORY**

1. COAST LIVE OAK (HERITAGE) - 30" DBH, 40' CANOPY
2. COAST LIVE OAK (HERITAGE) - 2 x 20" DBH, 30' CANOPY
3. JAPANESE MAPLE - EST.10" DBH, 20' CANOPY
4. COAST LIVE OAK (HERITAGE) - EST 30" DBH, 50' CANOPY

**LEGEND**

- TO BE DEMOLISHED
- (E) ELECTRICAL METER
- (G) GAS METER

**SITE ANALYSIS**

ZONING: R-1-U SINGLE FAMILY URBAN RESIDENTIAL

LOT AREA	7000 SF
FLOOR AREA	2,766 SF
MAIN HOUSE	830 SF
ADU	27.7 %
COVERED AREA ON SITE	1,943 SF
BUILDING COVERAGE	27.7 %
LANDSCAPED AREA	3446 SF
LANDSCAPE COVERAGE	49.3 %
PAVED + DECK AREA	1611 SF
PAVED + DECK COVERAGE	23.0 %
PARKING	1 COV. / 1 UNCOV.
BFE	29.2'
DFE	30.2'
FFE	30.25'



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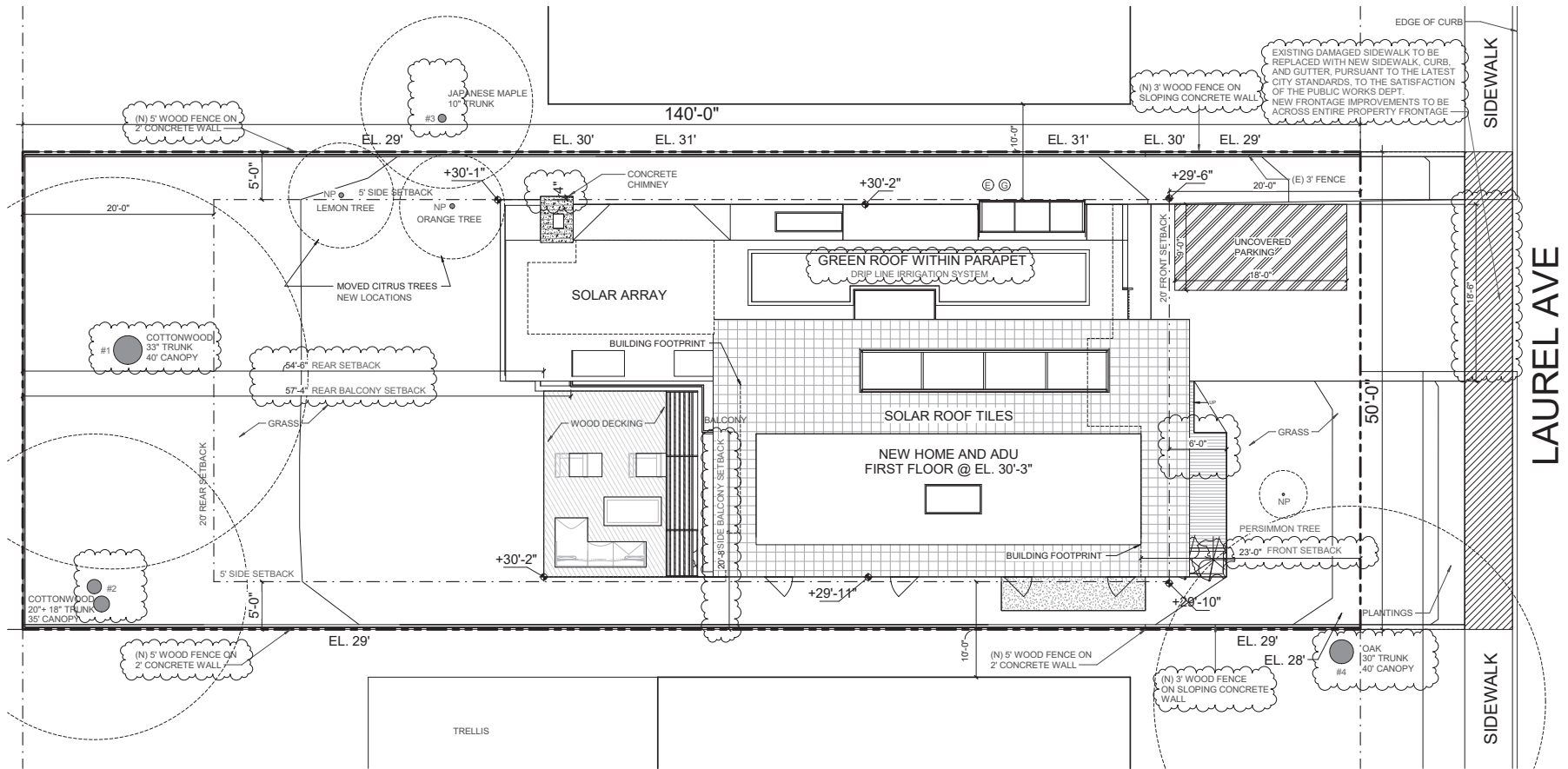
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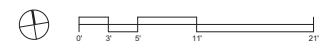
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1 SITE PLAN  
3/16" = 1'-0"



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PROPOSED SITE PLAN

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A-1.3



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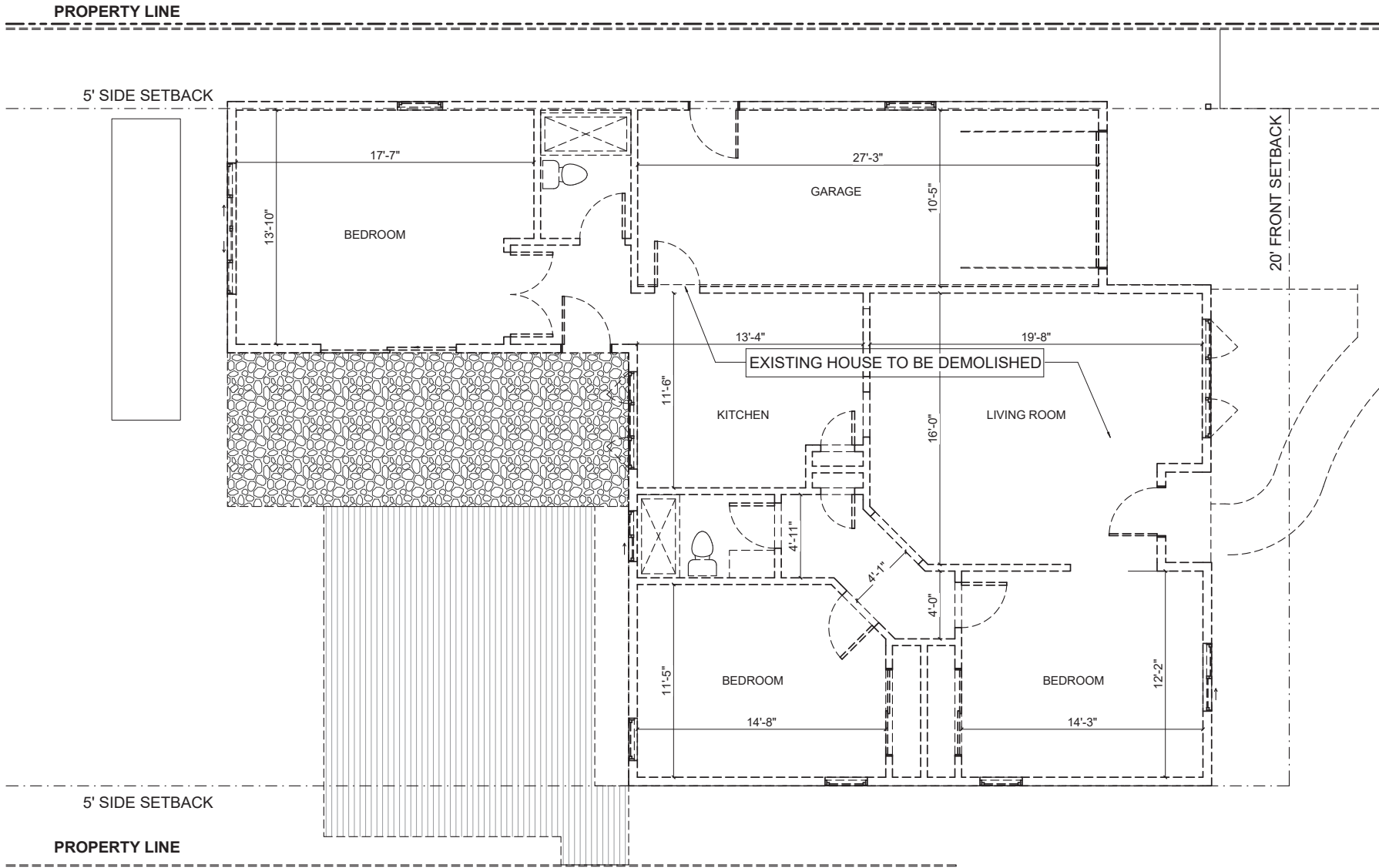


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EXISTING FIRST FLOOR PLAN

Sheet Drawn By: RA

A-2.0



1 (E) GROUND FLOOR  
 3/8" = 1'-0"



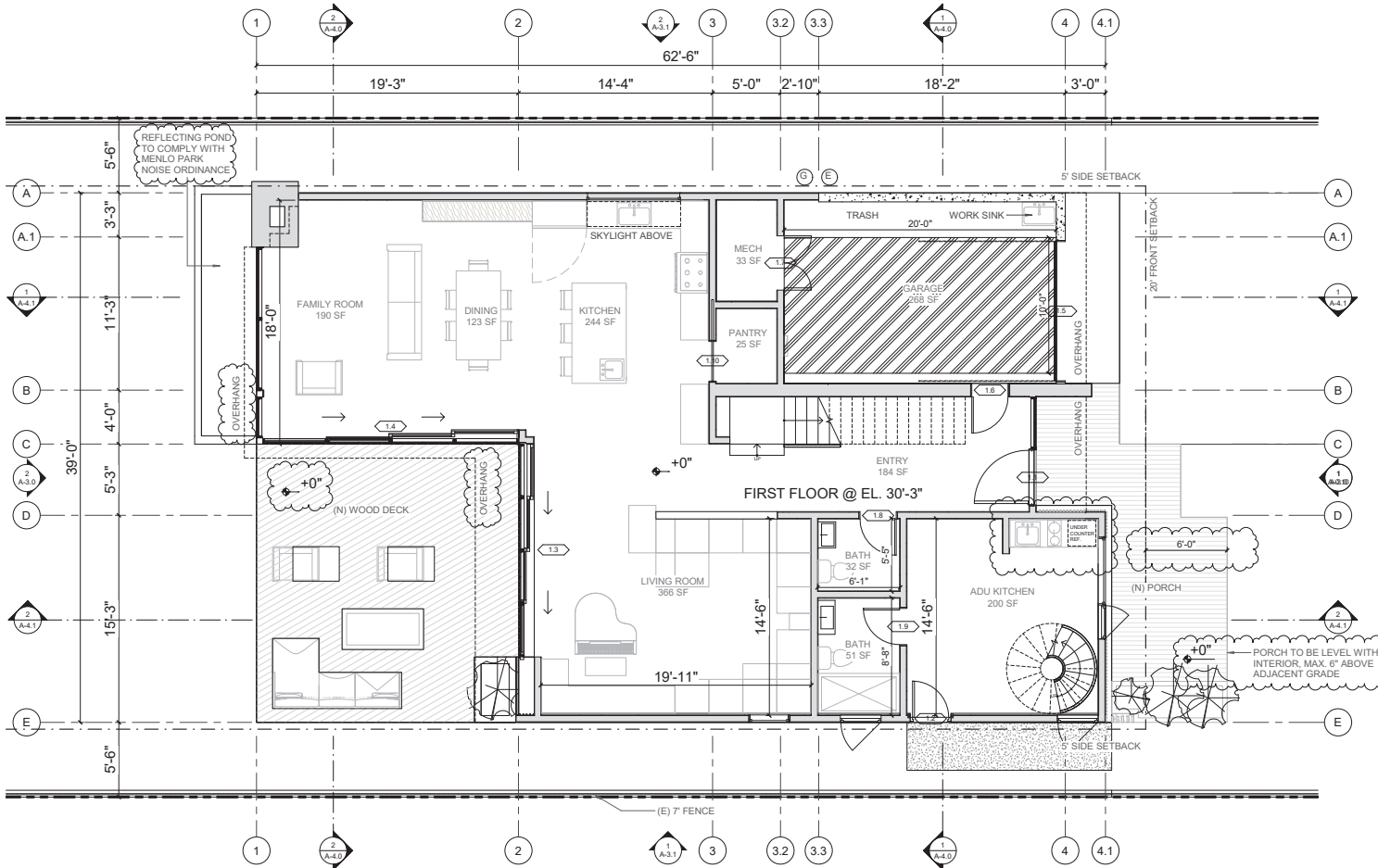


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1 FIRST FLOOR  
 1/4" = 1'-0"

REV.	ISSUED SET	DATE
1	PLN REVISION	11/21/22
2	PLN RESUBMIT	10/24/22
3	PLN REVISION	10/05/22
4	PLN REVISION	07/19/22
5	PLN SUBMISSION	03/10/22

FIRST FLOOR PLAN

Sheet Drawn By: JL

A-2.1

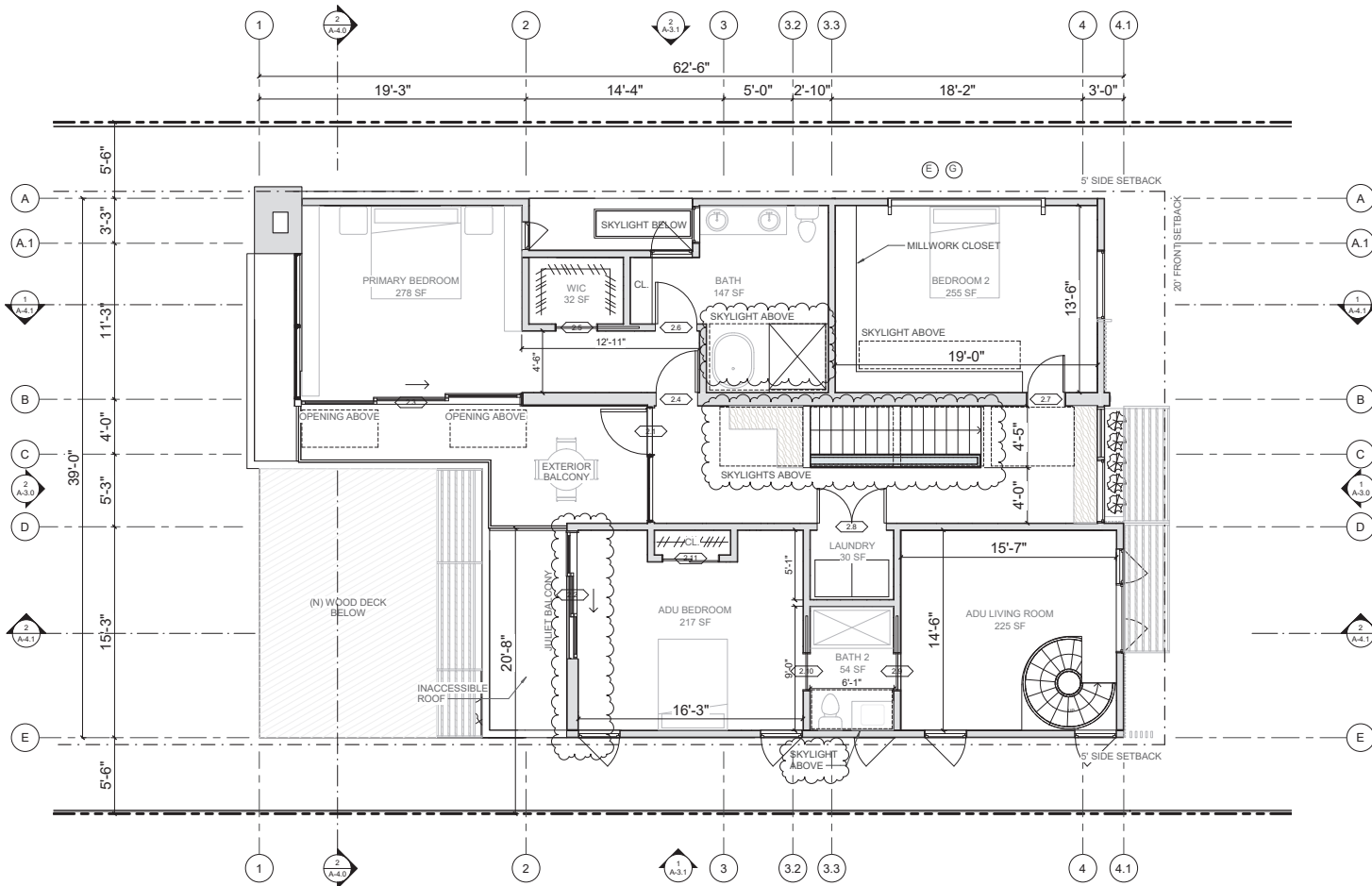


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 510.833.2643  
 www.designdrawbuild.com

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 MENLO PARK, CA 94025

NOVEMBER 21, 2022  
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1 SECOND FLOOR  
 1/4" = 1'-0"

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SECOND FLOOR PLAN

Sheet Drawn By: JL

A-2.2

NOTES

1. MATERIALS CALLED OUT AT SHEET A-5.4 MATERIAL PALLETTE



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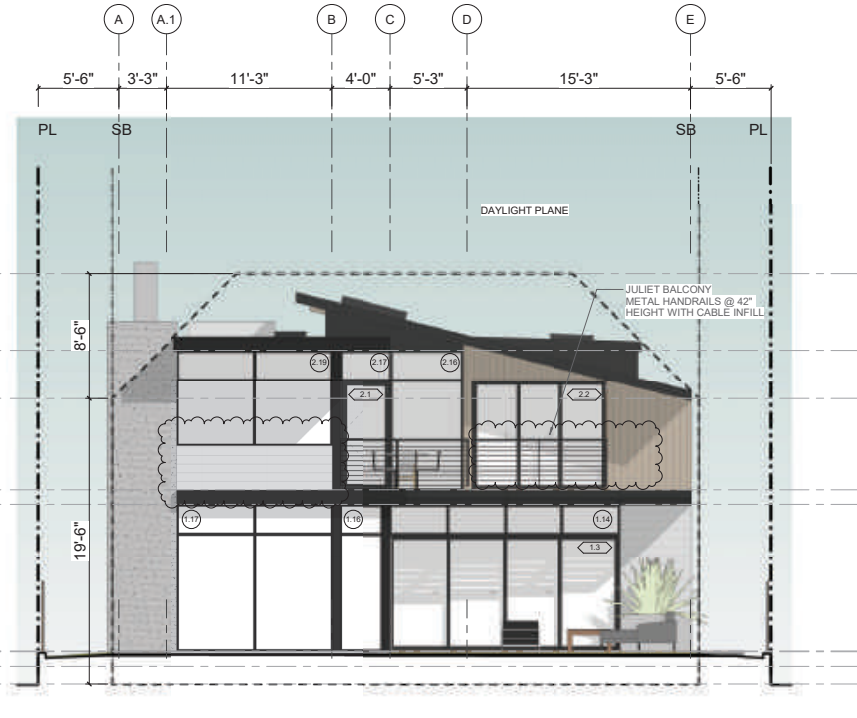
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1 EAST ELEVATION - FRONT  
1/4" = 1'-0"



2 WEST ELEVATION - REAR  
1/4" = 1'-0"

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FRONT + REAR ELEVATIONS

Sheet Drawn By: JL

A-3.0

NOTES

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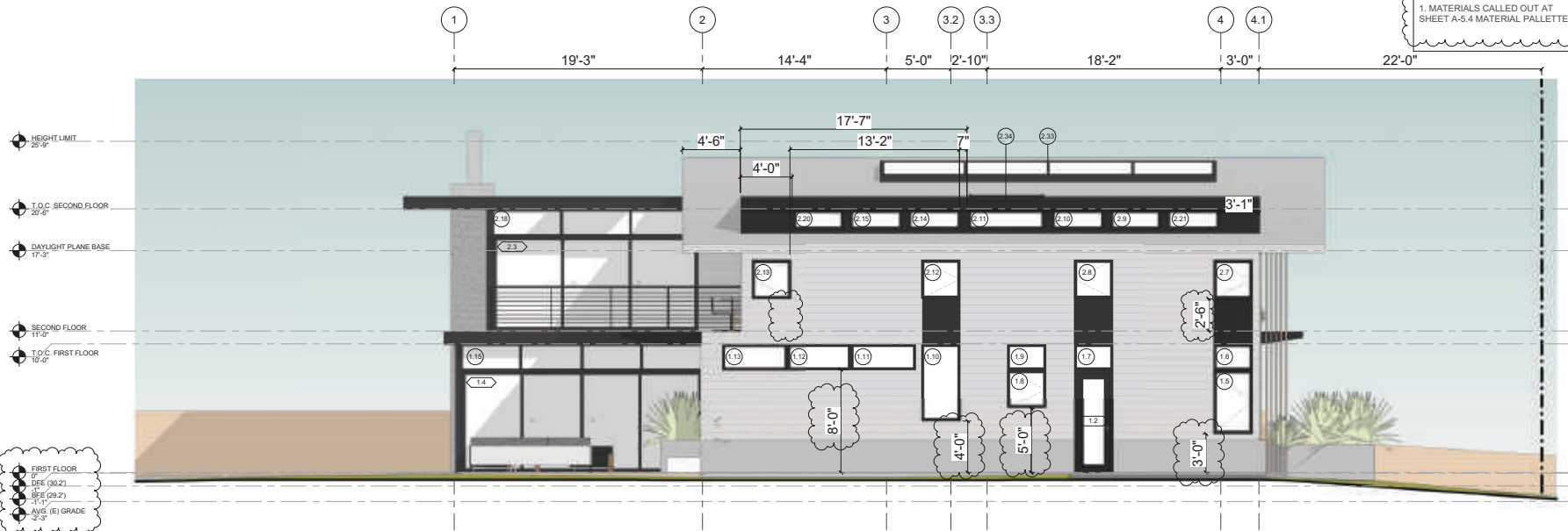


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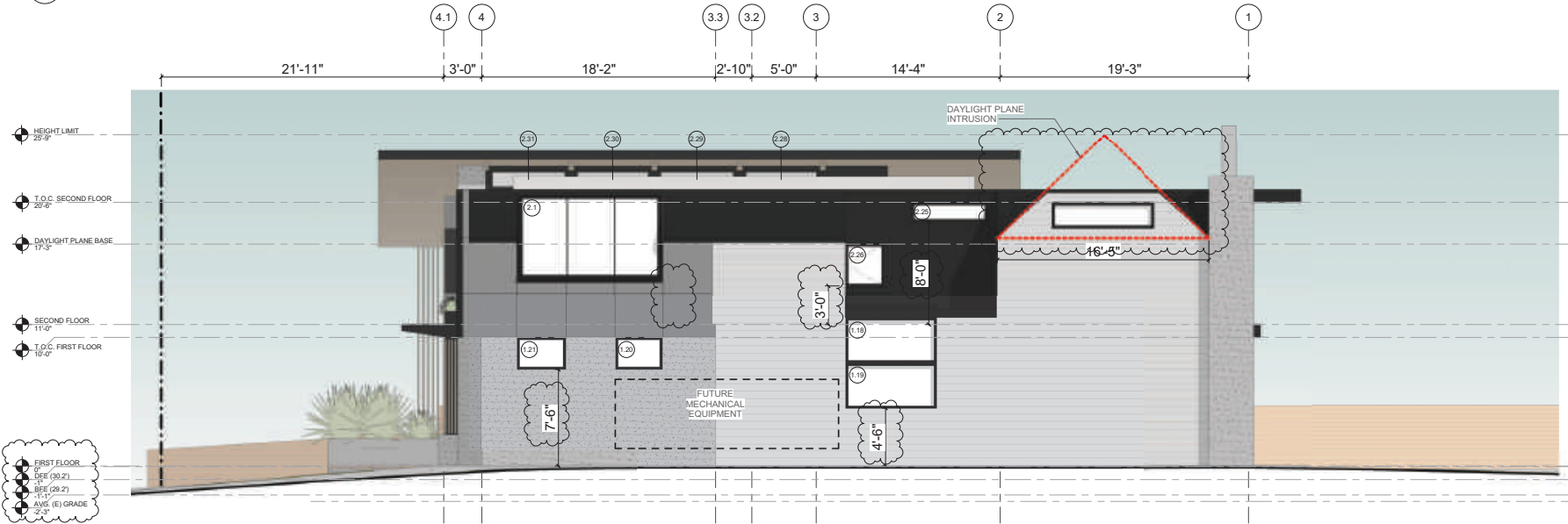
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1 SOUTH ELEVATION - SIDE  
1/4" = 1'-0"



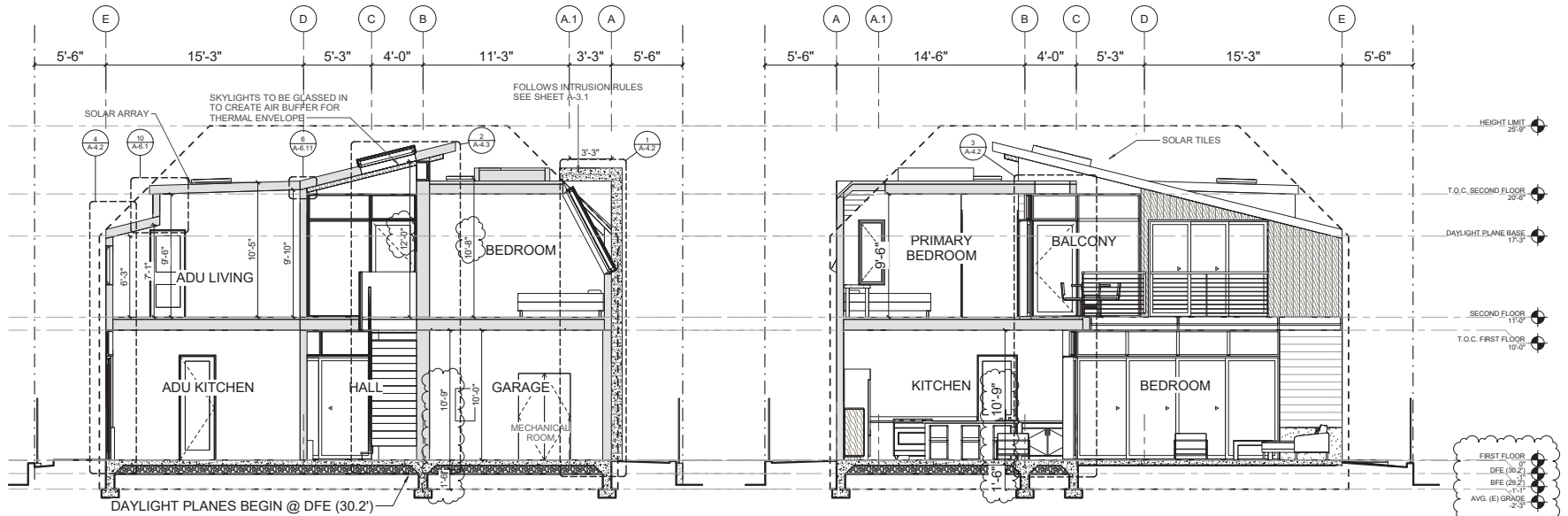
2 NORTH ELEVATION - SIDE  
1/4" = 1'-0"

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SIDE ELEVATIONS

Sheet Drawn By: JL

A-3.1



1 CROSS SECTION  
1/4" = 1'-0"

2 CROSS SECTION 2  
1/4" = 1'-0"



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BUILDING SECTIONS

Sheet Drawn By: JL

A-4.0





**DESIGN DRAW BUILD**

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FRONT PERSPECTIVE

Sheet Drawn By: JL

**A-5.0**



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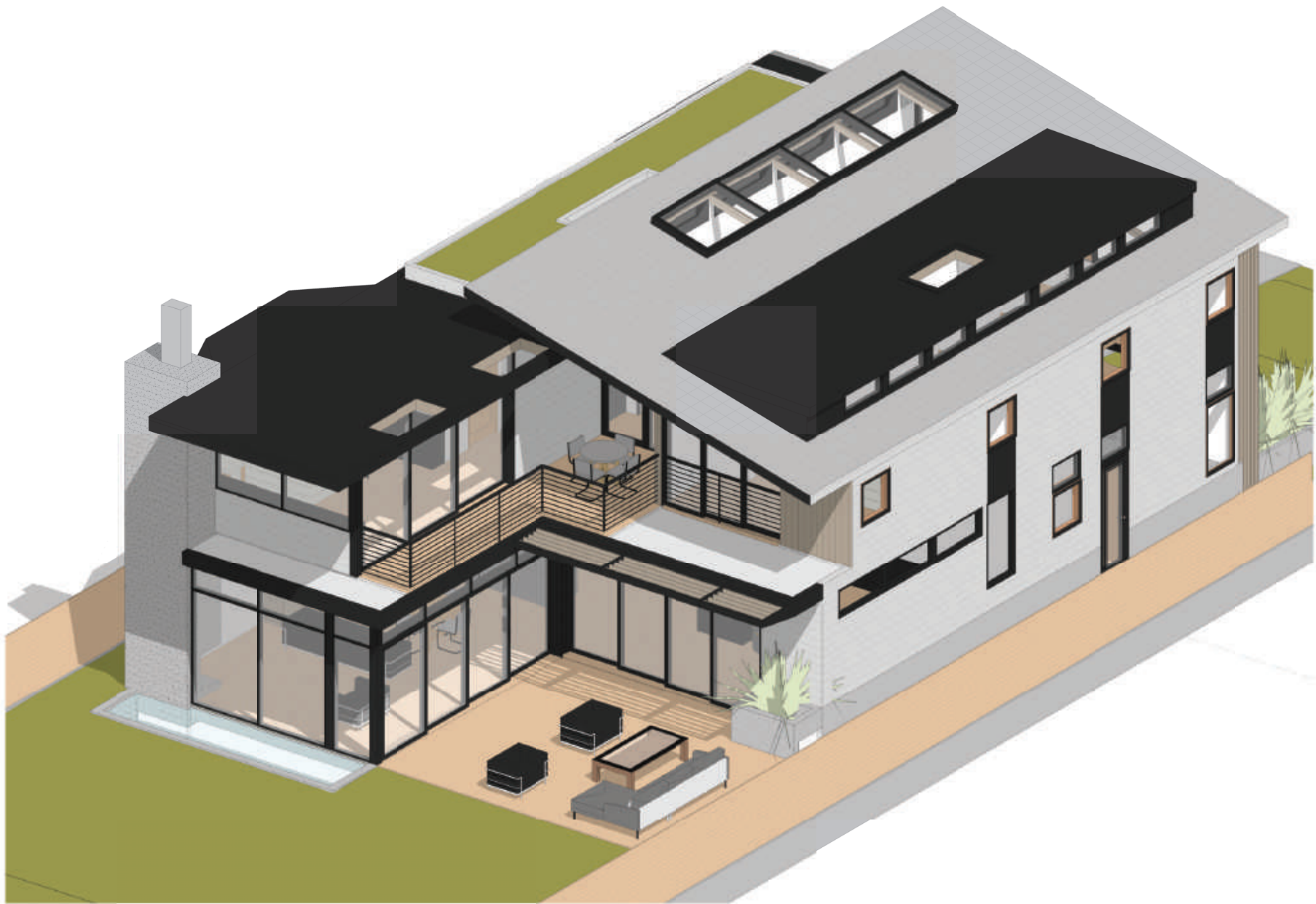
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FRONT PERSPECTIVE

Sheet Drawn By: JL

**A-5.1**





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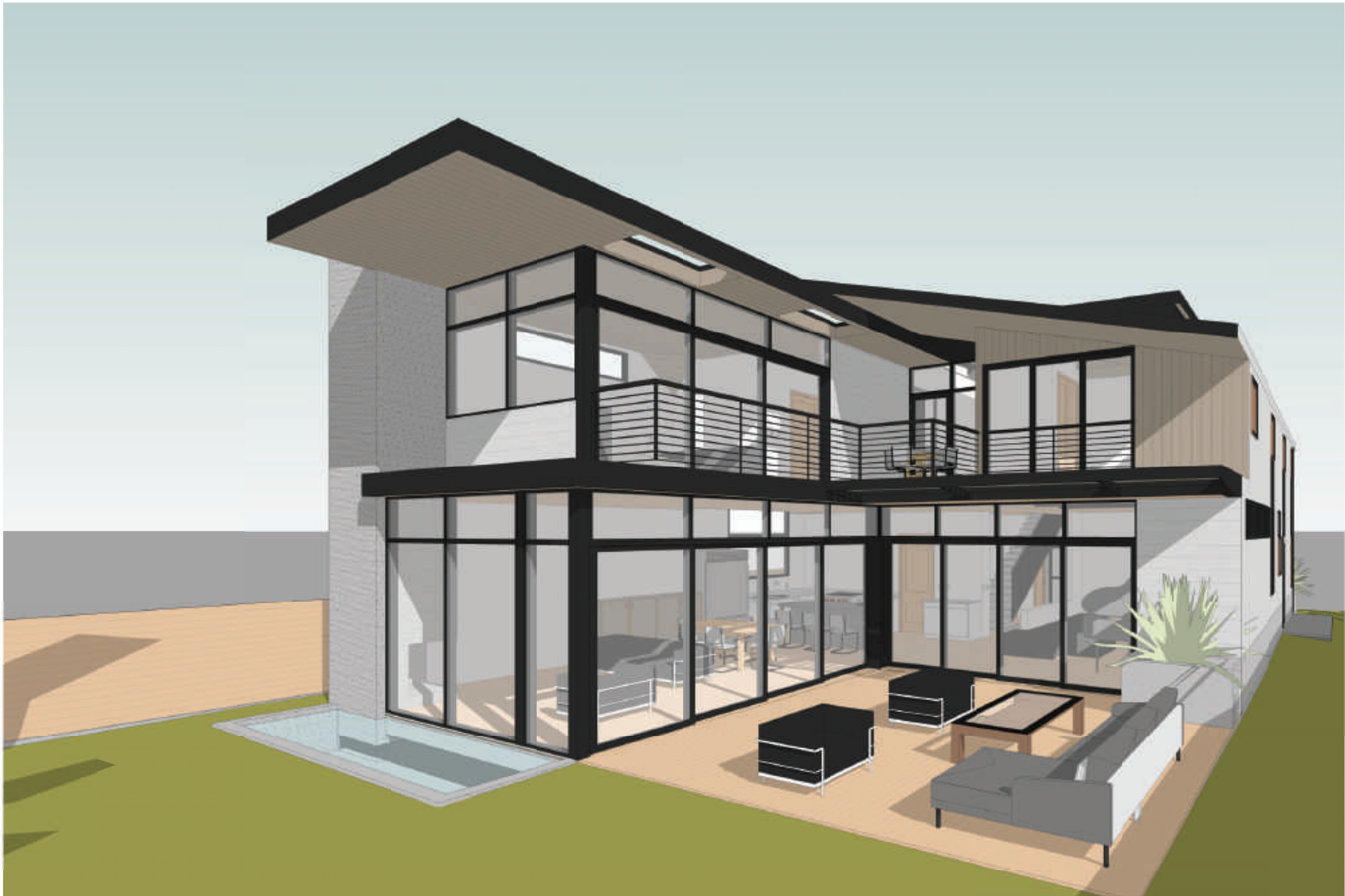


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REAR AXONOMETRIC

Sheet Drawn By: JL

A-5.2



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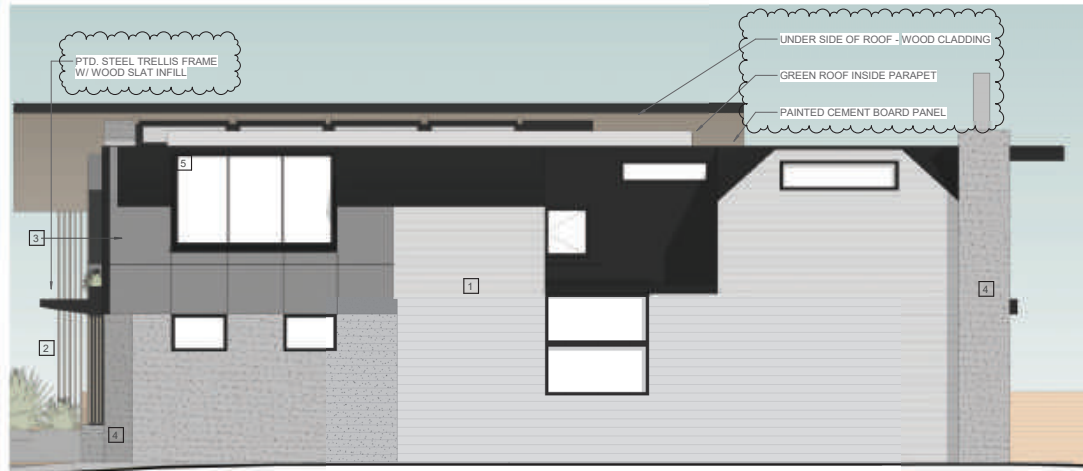
REAR PERSPECTIVE

Sheet Drawn By: JL

**A-5.3**



1 FRONT ELEVATION MATERIALS  
1/4" = 1'-0"

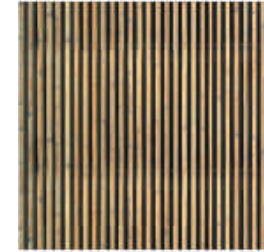


2 SIDE ELEVATION MATERIALS  
1/4" = 1'-0"

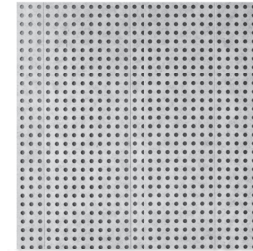
MATERIALS



1 TYPICAL SIDING  
GREY STAIN HORIZONTAL SHIPLAP



2 ACCENT SIDING  
VERTICAL WOOD SLATS



3 ACCENT SIDING  
PERFORATED METAL PANEL SIDING  
OR PAINTED CEMENT BOARD SIDING



4 FOUNDATION AND STRUCTURAL WALL  
BOARD FORMED CONCRETE



5 TRIM AND WINDOW/DOOR FRAMES  
METAL PAINTED BLACK



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MATERIAL PALETTE

Sheet Drawn By: JL

A-5.4

NOTES

1. DETAILS SHOWN ON THIS SHEET ARE TO DEMONSTRATE AESTHETIC PROPERTIES FOR PLANNING REVIEW. DETAILS ARE NOT FOR CONSTRUCTION PURPOSES.

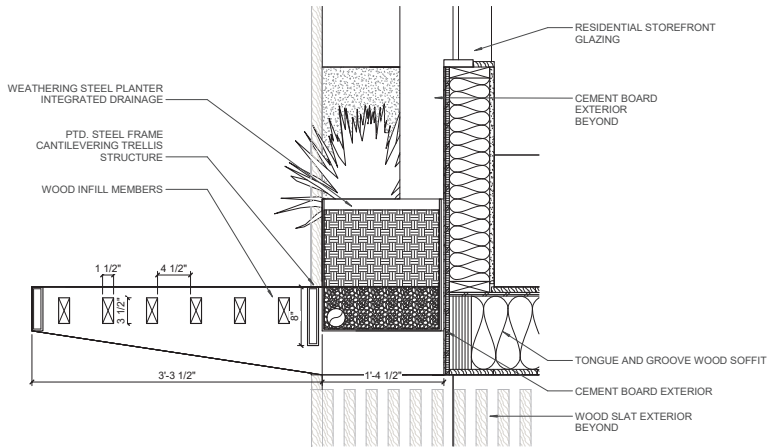


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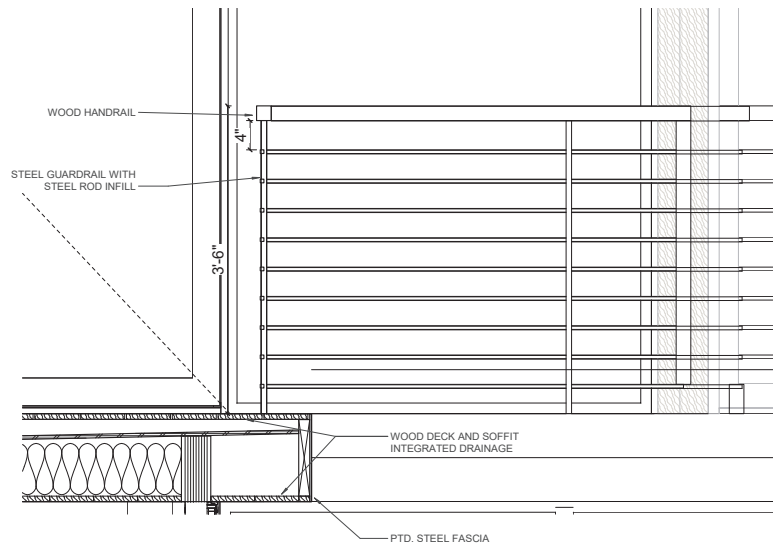
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② TRELLIS DETAIL  
1 1/2" = 1'-0"



① RAILING DETAIL  
1 1/2" = 1'-0"

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DECK + TRELLIS DETAILS

Sheet Drawn By: JL

A-5.5



# DESIGN DRAW BUILD

ARCHITECTURE + CONSTRUCTION

July 20, 2022

**Project Description**

715 Laurel Ave, Menlo Park, CA 94025

PLN2022-00016

To the Menlo Park Planning Department,

We are submitting a Development Permit Application for a new construction, two-story home and Accessory Dwelling Unit at 715 Laurel Avenue, Menlo Park with an R-1-U Urban Residential zoning designation. The proposal includes the demolition of an existing, non-historic single-family home of 1,658 square feet across a single floor.

We are proposing a new single-family home with 2 bedrooms, 1.5 bathrooms and accessory dwelling unit with 1 bedroom, 2 bathrooms which together maintain a similar footprint to the existing home, with an added a second story. The new primary residence is 2,766 square feet; the accessory dwelling unit totals 830 square feet. The proposal sits within all required front, rear, and side yard setbacks, and maintains a building coverage of only 27.7% which is only slightly more than the existing home and well below the 35% maximum set by zoning.

The overall building form creates an "L" shape which opens the rear of building to sunlight from the South and West and ensures more light can reach the rear yard. The overall building massing respects the intent of the daylight planes, cutting down towards the side setbacks either with the slope of a roof, or a notch filled with clerestories. Small pop-ups break up the eave line along the side elevations and bring light and air into the upstairs rooms. The southern roof is sloped to capture sun for a photovoltaic array, and a flat green roof is proposed on the northern volume to capture stormwater and reduce runoff. This green roof would be provided with a dripline irrigation system to ensure low-maintenance and limited requirements for access to the roof.

The new residence and ADU will be of a modern architectural style, in keeping with similar new construction throughout the neighborhood. The building will be predominantly light-wood framing with a slab-on-grade foundation raised to above the Design Flood Elevation designated for the property. Exterior materials will largely include painted wood siding, clear-sealed cedar siding, and painted cement board siding with black metal trim and window frames. The rear of the home features large glass "storefront" windows, including operable sliding glass walls to bathe the home in light and welcome the outdoors in.

Thank you,

**Tyler Kobick**

Principal

p. [510.833.2643](tel:510.833.2643)

w. [designdrawbuild.com](http://designdrawbuild.com)

a. [2866 WEBSTER STREET, OAKLAND, CA 94609](http://2866WEBSTERSTREET.OAKLAND.CA.94609)



# DESIGN DRAW BUILD

ARCHITECTURE + CONSTRUCTION

October 24, 2022

Variance Letter

715 Laurel Ave, Menlo Park, CA 94025

PLN2022-00016

Variance 1 - Non-conforming Parking

We are requesting a variance, to maintain the existing non-conforming on-site condition for the placement of the required uncovered parking space within the front setback. With this variance we are seeking to maintain the pattern of development in the neighborhood, including front and rear yard depths, and the street-facing wall alignment of adjacent homes.

1. *That a hardship peculiar to the property and not created by any act of the owner exists. In this context, personal, family or financial difficulties, loss of prospective profits and neighboring violations are not hardships justifying a variance. Further, a previous variance can never have set a precedent, for each case must be considered only on its individual merits;*

**Finding:** Our site is a non-conforming width within the R-1-U zoning district. The lot is 50' wide - rather than the zoning minimum of 65' - which limits the ability to fit a driveway along the side of the lot to provide access to a more hidden parking space. Additionally, given the narrow nature of the lot, it is undesirable to fit two parking spaces next to each other, for it would create a dominant car-centric look along the street frontage.

2. *That such variance is necessary for the preservation and enjoyment of substantial property rights possessed by other conforming property in the same vicinity and that a variance, if granted, would not constitute a special privilege of the recipient not enjoyed by his/her neighbors;*

**Finding:** The variance condition we are requesting maintains the existing parking condition on-site and matches all of the original homes in the neighborhood. The typical home in the neighborhood features one, single-car garage outside the setback, and an uncovered parking space within the setback. If the uncovered parking space were to be located outside the front setback, it would push the new proposed dwelling further to the rear of the property, creating a smaller backyard than neighboring properties enjoy.

3. *That the granting of the variance will not be materially detrimental to the public health, safety, or welfare, or will not impair an adequate supply of light and air to adjacent property;*

**Finding:** The granting of the variance will in fact provide better supply of light and air to adjacent properties. If the variance is not granted, it will push the proposed home further back on the property, blocking the access of light and air into the backyards of the adjacent homes.



# DESIGN DRAW BUILD

ARCHITECTURE + CONSTRUCTION

4. *That the conditions upon which the requested variance is based would not be applicable, generally, to other property within the same zoning classification.*

**Finding:** The zoning code was developed based on lots which are minimum 65' in width. As such, zoning regulations on parking within this zone were not considered for properties like 715 Laurel Ave with 50' widths.

5. *That the condition upon which the requested variance is based is an unusual factor that was not anticipated or discussed in detail during any applicable Specific Plan process.*

**Finding:** No specific plan could be found for this neighborhood.

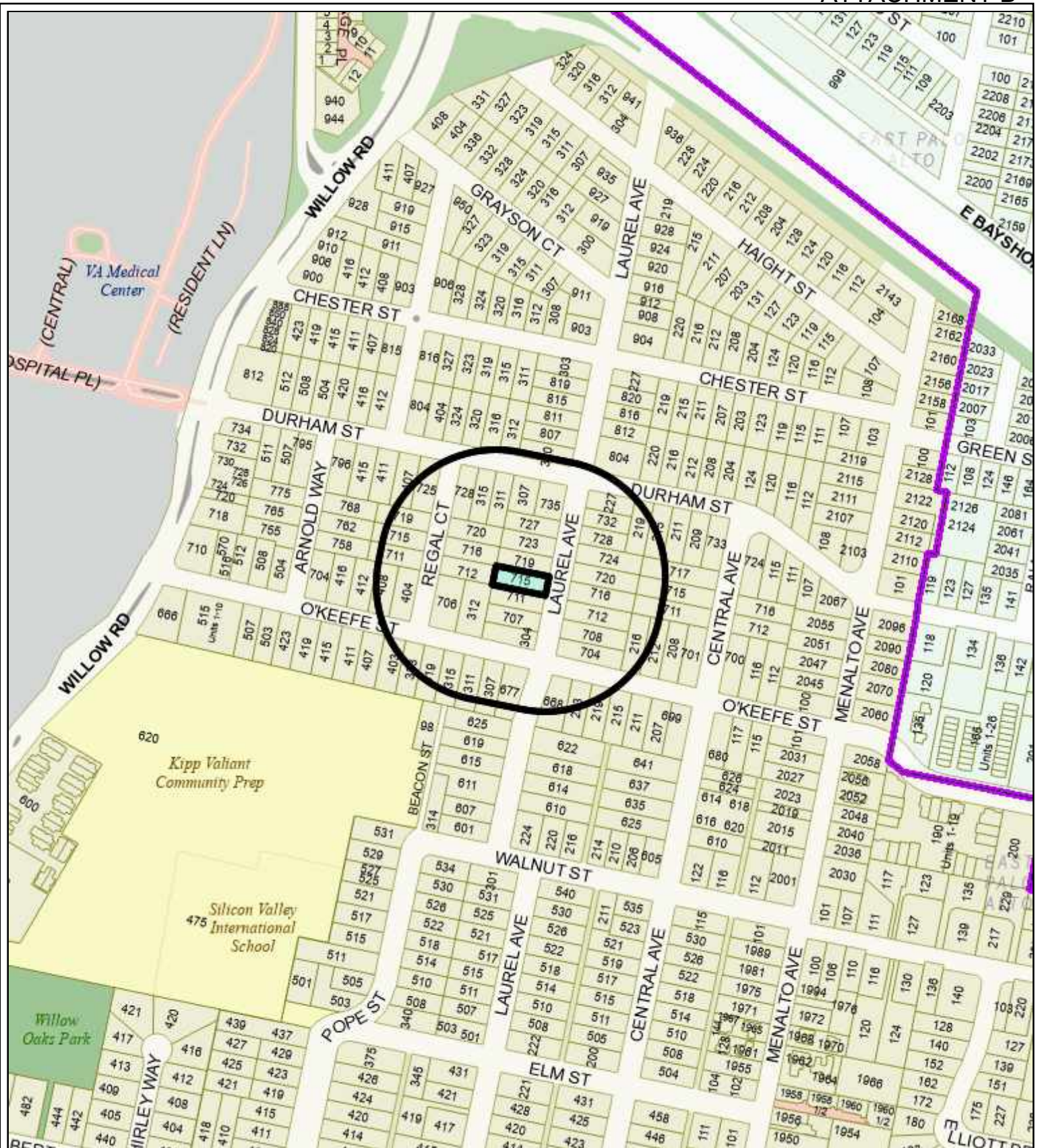
## 715 Laurel Avenue – Exhibit D: Conditions of Approval

<b>LOCATION:</b> 715 Laurel Avenue	<b>PROJECT NUMBER:</b> PLN2022-00016	<b>APPLICANT:</b> Vineet Mehta	<b>OWNER:</b> Vineet Mehta
<p><b>PROJECT CONDITIONS:</b></p> <ol style="list-style-type: none"> <li>1. The use permit shall be subject to the following standard conditions: <ol style="list-style-type: none"> <li>a. The applicant shall be required to apply for a building permit within one year from the date of approval (by December 12, 2023) for the use permit to remain in effect.</li> <li>b. Development of the project shall be substantially in conformance with the plans prepared by Design, Draw, Build consisting of 22 plan sheets, dated received November 21, 2022 and approved by the Planning Commission on December 12, 2022, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.</li> <li>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.</li> <li>d. 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.</li> <li>e. 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.</li> <li>f. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall furnish new sidewalk, curb and gutter, pursuant to the latest City Standards, to the satisfaction of the Public Works Department along the property frontage.</li> <li>g. 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.</li> <li>h. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance and the arborist report prepared by Bo Firestone Consulting and Design dated May 19, 2022.</li> <li>i. Prior to building permit issuance, the applicant shall pay all fees incurred through staff time spent reviewing the application.</li> <li>j. The applicant or permittee shall defend, indemnify, and hold harmless the City of Menlo Park or its agents, officers, and employees from any claim, action, or proceeding against the City of Menlo Park or its agents, officers, or employees to attack, set aside, void, or annul an approval of the Planning Commission, City Council, Community Development Director, or any other department, committee, or agency of the City concerning a development, variance, permit, or land use approval which action is brought within the time period provided for in any applicable statute; provided, however, that the applicant's or permittee's duty to so defend, indemnify, and hold harmless shall be subject to the City's promptly notifying the applicant or permittee of any said claim, action, or proceeding and the City's full cooperation in the applicant's or permittee's defense of said claims, actions, or proceedings.</li> </ol> </li> <li>2. The use permit shall be subject to the following <b>project-specific</b> conditions:</li> </ol>			



715 Laurel Avenue – Exhibit D: Conditions of Approval

<b>LOCATION:</b> 715 Laurel Avenue	<b>PROJECT NUMBER:</b> PLN2022-00016	<b>APPLICANT:</b> Vineet Mehta	<b>OWNER:</b> Vineet Mehta
a. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a revised site plan adjusting the location of the footprint to accommodate a second, compliant parking space. The site plan shall indicate the location of the uncovered parking space, subject to review and approval of the Planning Division.			



City of Menlo Park  
 Location Map  
 715 LAUREL AVENUE



	<b>PROPOSED PROJECT</b>	<b>EXISTING PROJECT</b>	<b>ZONING ORDINANCE</b>
Lot area	7,000 sf	7,000 sf	7,000 sf min
Lot width	50 ft	50 ft	65 ft min
Lot depth	140 ft	140 ft	100 ft min
Setbacks			
Front	23 ft	24.7 ft	20 ft min
Rear	54.5 ft	54.9 ft	20 ft min
Side (left)	5.5 ft	5.0 ft	10 percent of minimum lot width, minimum 5 feet
Side (right)	5 ft	4.6 ft	
Building coverage*	1,954.2 sf 27.9 %	1,737 sf 24.8 %	2,450 sf max 35.0 % max
FAL (Floor Area Limit)*	3,592* sf	1,737 sf	2,800 sf max
Square footage by floor	1,329 sf/1 <sup>st</sup> 1,141 sf/2 <sup>nd</sup> 319 sf/garage 289 sf/ADU 1 <sup>st</sup> 541 sf/ADU 2 <sup>nd</sup> 15 sf/fireplace 2.2 sf/wing wall	1,350 sf/1 <sup>st</sup> 305 sf/garage 82 sf/shed and playhouse	
Square footage of buildings	3,636.2 sf	1,737 sf	
Building height	27.3 ft	13.7 ft	28 ft max
Parking	1 covered space**	1 covered space	1 covered and 1 uncovered space
<b>Note: Areas shown highlighted indicate a nonconforming or substandard situation</b>			

Trees	Heritage trees	3***	Non-Heritage trees	3****	New trees	0
	Heritage trees proposed for removal	0	Non-Heritage trees proposed for removal	0	Total Number of trees	6

\*Floor area and building coverage for the proposed project includes the ADU, which is allowed to exceed the maximum floor area and building coverage by up to 800 square feet.

\*\*Implementation of Condition 2.a would create a standard parking situation with one covered and one uncovered space.

\*\*\*Of these trees, two are located on the subject property and one is located on a neighboring property.

\*\*\*\*Of these trees, two are located on the subject property and one is located on a neighboring property.

# ARBORIST REPORT

REV. MAY 19, 2022

PREPARED FOR:  
VINEET MEHTA & KARISHMA SHARMA

SITE ADDRESS:  
715 LAUREL AVE. • MENLO PARK, CA 94025



**BO FIRESTONE**  
Consulting & Design  
*Certified Arborist since 2008*



BO FIRESTONE CONSULTING & DESIGN  
BUSARA FIRESTONE, CERTIFIED ARBORIST #WE-8525A  
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# Introduction

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## ARBORIST ASSIGNMENT

As Project Arborist, I visited the site of the proposed home building project at 715 Laurel Avenue, Menlo Park in November of 2021. After review of proposed site plan A-1.3 updated 05/10/22 by Design Draw Build, it was my understanding that the existing home would be demolished and a larger one-story house with attached ADU built in its place. A new deck was planned off the back of the house.

My inventory included four (4) Heritage Trees: two (2) coast live oak (*Quercus agrifolia*) in the back yard of the property, as well as one (1) coast live oak and a (1) Japanese maple (*Acer palmatum*) on neighboring parcels. No Heritage Trees were requested for removal. All other trees on grounds were sub-size (<6"). All other neighboring trees were sufficiently distant from the work (>10x DBH).

## USES OF THIS REPORT

According to City Ordinance, any person who conducts grading, excavation, demolition, or construction activities on a property must do so in a manner that does not threaten the health or viability or cause the removal of any Heritage Tree. **Any work performed within an area 10 times the diameter of the tree (i.e., the tree protection zone) requires the submittal of a tree protection plan for approval by the City before issuance of any permit for grading or construction.**

This report was written by Busara Firestone, Project Arborist, to serve as a resource for the property owner, designer, and builder. I have provided instructions for retaining, protecting and working around trees during construction, as well as information on City requirements. *The owner, contractor and architect are responsible for knowing the information included in this arborist report and adhering to the conditions provided.*

# City Tree Protection Requirements

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## Heritage Tree Definition

A “Heritage Tree” is a tree that has protected status by the City of Menlo Park. The City can classify trees with Heritage status for their remarkable size, age, or unique value. However, in general, native oaks of 10 inches or more, and any tree having a trunk with a diameter of 15 inches or more has Heritage status (measured at 54 inches above natural grade, or at the branching point for multi-trunk trees).

## Construction-Related Tree Removals

According to the City of Menlo Park, applicants are required to submit a site plan with the Heritage Tree Removal Application Permit even if they have submitted a site plan to the City for a planning or building permit. The site plan facilitates the review by the City Arborist.

For removals of two or more trees, applicants shall be required to submit a planting plan indicating the species, size and location of the proposed replacement trees on a site plan. Heritage Tree Permits related to Construction will also be charged for City-retained arborist expenses.

## Violation Penalties

Any person who violates the tree protection ordinance, including property owners, occupants, tree companies and gardeners, could be held liable for violation of the ordinance. The ordinance prohibits removal or pruning of over one-fourth of the tree, vandalizing, mutilating, destruction and unbalancing of a heritage tree without a permit.

If a violation occurs during construction, the City may issue a stop-work order suspending and prohibiting further activity on the property until a mitigation plan has been approved, including protection measures for remaining trees on the property. Civil penalties may be assessed against any person who commits, allows or maintains a violation of any provision of the ordinance. The fine will be an amount not to exceed \$5,000 per violation, or an amount equivalent to the replacement value of the tree, whichever is higher.



# Impacts on Protected Trees

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## SITE DESCRIPTION

The property at 715 Laurel Avenue was a rectangular lot typical of the neighborhood and without notable topography. An existing one-story house stood on the parcel. The trees on the property included two mature coast live oak in the back yard as well as several small fruit trees. A large coast live oak stood in the neighbor's front yard with its canopy extending over the property. There was also a Japanese maple hanging over the back yard on the opposite side of the property.

## TREE INVENTORY

This tree preservation plan includes an attached inventory of all trees on the property regardless of species, that were at least 12 feet tall and 6-inch DSH.

This inventory also includes as necessary, any neighboring Heritage Trees with work proposed within 10 times their diameter (DSH). Any street trees within the public right-of-way were also included, regardless of size, as required by the City.

The Inventory includes each tree's number (as shown on the TPZ map), measurements, condition, level of impact (due to proximity to work), tolerance to construction, overall suitability for conservation, and prescription (remove/retain). The inventory also includes the appraised value of each tree using the Trunk Formula Method (10<sup>th</sup> Edition).

## PROJECT DESCRIPTION

After review of proposed site plan A-1.3 updated 05/10/22 by Design Draw Build, it was my understanding that the existing home would be demolished and a new, one-story house with attached ADU built in its place with a larger footprint. A new front porch would be built as well as a new deck off the back of the house. An uncovered parking area was planned in the location of the existing driveway.

## HOW CONSTRUCTION CAN DAMAGE TREES

### Damage to Roots

#### *Where are the Roots?*

The most common types of injury to trees that occur during property improvements are related to root cutting or damage. **Tree roots extend farther out than people realize, and the majority are located within the upper 24 inches of soil.** The thickest roots are found close to the trunk, and taper and branch into ropey roots. These ropey roots taper and branch into an intricate system of fine fibrous roots, which are connected to an even finer system of fungal filaments. This vast below-ground network is tasked with absorbing water and nutrients, as well as anchoring the tree in the ground, storage, and communication.

#### *Damage from Excavation*

**Any type of excavation will impact adjacent trees by severing roots** and thus cutting off the attached network. Severing larger roots, or trenching across the root plate, destroys large networks. Even work that appears to be far from a tree (like on the far side of the yard), will impact the fibrous root system where excavation is taking place. Placing impervious surface over the ground, or installing below ground structures, such as a pool, or basement wall, will remove rooting area permanently from a site.

#### *Damage from Fill*

**Adding fill can smother roots**, making it difficult for them to access air and water. The roots and other soil life need time to colonize the new upper layers of soil.

#### *Changes to Drainage and Available Water*

Changes to the hydrology of the site, caused for instance by new septic fields, changes to grade, and drainage systems, can also cause big changes in available water for trees. Trees can die from lack of water or disease if their water supply dries up or gets much wetter than they are used to.

#### *Soil Compaction and Contamination*

In addition, compaction of soil, or contamination of soil with wash-water, paint, fuel, or other chemicals used in the building process, can cause damage to the rooting environment that can last many years. Tree protection fencing creates a barrier to protect as many roots as possible

from this damage, which can be caused by travelling vehicles, equipment storage, and other construction activities that may occur even outside the construction envelope.

## Mechanical Injury

Injury from the impact of vehicles or equipment can occur to the root crown, trunk, and lower branches of a tree. The bark protects a tree – creating a skin-like barrier from disease-causing organisms. The stem issues are in charge of supporting the weight of the plant, and conducting the flow of water, sugars, and other important compounds throughout the tree. When the bark and wood is injured, the structure and health of the tree is compromised.

## IMPACTS TO HERITAGE TREES

Trees #1 and #2 (oak) as well as neighboring Tree #3 would be expected to sustain “low” impact from the excavation of the foundation and back deck.

Tree #4 (neighboring oak) would sustain a “moderate” and acceptable impact from root damage and disturbance from the building of the foundation and porch in the front of the house.

All retained trees were expected to survive project impacts if tree protection measures are properly implemented. **No Heritage Trees were proposed for removal as part of this project.**

My evaluation of the impacts of the proposed construction work for all affected trees was summarized in the Tree Inventory. These included impacts of grading, excavation for utility installation, retaining walls, drainage or any other aspect of the project that could impact the service life of the tree. Anticipated impacts to trees were summarized using a rating system of “severe,” “high,” “moderate,” “low,” or “very low.”

General species tolerance to construction, and condition of the trees (health and structural integrity), was also noted on the Inventory. These major factors, as well as tree age, soil characteristics, and species desirability, all factored into an individual tree’s suitability rating, as summarized on the Inventory. Suitability of trees to be retained was rated as “high,” “moderate,” “low.” Trees with low suitability would be appropriate candidates for removal. **Please see Glossary for definitions of ratings. No Heritage Trees were proposed for removal as part of this project.**

# Tree Protection Recommendations

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## PRE-CONSTRUCTION

### Establish Tree Protection Zones (TPZ)

The Tree Protection Zone (TPZ) shall be a fenced-off area where work and material storage is not allowed. They are established and inspected prior to the start of work. This barrier protects the critical root zone and trunk from compaction, mechanical damage, and chemical spills.

**Tree protection fencing is required to remain in place throughout construction and may only be moved or removed with written authorization from the City Arborist. The Project Arborist may authorize modification to the fencing when a copy of the written authorization is submitted to the City.**

**The City requires that tree protection fencing be installed before any equipment comes on-site and inspected by the Project Arborist, who shall submit a verification letter to the City before issuance of permits.**

### ***TPZ LOCATIONS:***

The dripline (area beneath the tree's canopy) serves as a rule of thumb for where the critical roots are located and serves as a good visual guideline for establishing the TPZ fencing radius. However, site restrictions may limit where fencing can be feasibly placed. **Please see attached "Existing Tree/TPZ Map" for recommended fencing locations specific to this project.**

In addition, it is my practice to include a column on my inventory which shows the "ideal TPZ" radius for each tree. This number was calculated based on tree age, species tolerance to construction, and size, as per industry Best Management Practices. I am often asked for recommended setbacks and this column provides this information in ready form. The "ideal TPZ" is to be used as an educational tool for the project team and is not meant to indicate any requirements. Specific recommended protection for trees is as follows:

- **Trees #1 and #2:** Establish standard six-foot “TPZ I” chain-link fencing with radius of 20 feet. Existing property fencing may serve to complete the enclosure. I recommended TPZ Wrap in addition to the standard fencing in the case that the Tree Protection Zone must be entered, or if the fencing radius is altered for the demolition of the small structures under these trees. This would be a temporary measure and fencing installed as directed afterwards. **See attached “TPZ Map” for recommended fencing locations.**
- **Trees #3 and #4:** These neighboring trees are partially protected by the existing (6’) wooden property fence. Additional fencing would not be practical. Please see “Special Tree Protection Measures” for further guidelines for building around these trees.

### **TPZ FENCING SPECIFICATIONS:**

- 1) Establish tree protection fencing radius by installing six (6)-foot tall chain link fencing mounted on eight (8)-foot tall, two (2)-inch diameter galvanized posts, driven 24 inches into the ground and spaced no more than 10 feet apart.
- 2) Post signs on the fencing stating, “TREE PROTECTION FENCE - DO NOT MOVE OR REMOVE WITHOUT APPROVAL FROM CITY ARBORIST.”

### **Preventing Root Damage – Tree #4 (neighboring oak)**

**Anywhere workers and vehicles will be traveling over bare ground within fifteen feet of a tree’s dripline should have material applied over the ground to disperse the load.** This may be done by applying a six to 12-inch layer of wood chip mulch to the area. With this method, mulch in excess of four inches would have to be removed after work is completed. As an alternative method that would not require mulch removal, the contractor could place plywood (>3/4-inch-thick) or road mats over a four-inch layer of mulch. Mulch should be spread manually so as not cause compaction or damage.

## Pruning Branches

Branches must be pruned to allow clearance for proposed structures and the passage of workers, vehicles and machines. Any large dead branches should be pruned out for the safety of people working on the site.

I recommend that each tree that designated to remain shall be pruned as necessary to provide clearance for development, while maintaining a natural appearance. All tree pruning (or removal) activities shall be performed prior to the beginning of any demolition or development.

Pruning should be specified in writing adhering to ANSI A300 Pruning Standards and performed according to Best Management Practices endorsed by the International Society of Arboriculture. Pruning should be performed by a licensed and insured tree contractor and supervised by an ISA-certified arborist or an ASCA-Registered Consulting Arborist.

**Any property owner wanting to prune heritage tree more than one-fourth of the canopy and/or roots, must have permission from the City.**

## Arborist Inspection

**The City requires that tree protection fencing be installed before any equipment comes on-site and inspected by the Project Arborist, who shall submit a verification letter to the City before issuance of permits. Tree protection fencing to be inspected by City Arborist before demo and/or building permit issuance.**

## DURING CONSTRUCTION

### Special Tree Protection Measures (Tree #4 – neighboring oak)

- 1. Excavation guidelines for installation of new foundation and porch:** When excavating underneath the canopy, or within 25' of the trunk, use hand tools within the first 36 inches. Leave roots encountered undisturbed. If woody roots over one inch need to be cut, see next section titled "Root Pruning."
- 2. See also section titled "Preventing Soil and Root Damage" on pg. 7 of this report for instructions pertinent to this tree.**

## Root Pruning

Roots often extend farther beyond the tree than people realize. Even outside of the fencing protecting the critical root zone, there are roots that are important to the wellbeing of the tree. Builders may notice torn roots after digging or trenching. If this happens, exposed ends should be cut cleanly.

However, the best way to cut roots is to cut them cleanly *before* they are torn by excavating equipment. Roots may be exposed by gentle excavation methods and then cut selectively. Alternatively, a tool specifically designed to cut roots may be used to cut through the soil on the tree-side of the excavation line prior to digging so that roots are not torn.

**Any root pruning must be supervised by the Project Arborist.**

## Irrigation

Water moderately and highly impacted trees during the construction phase. As a rule of thumb, provide one to two inches per month. Water slowly so that it penetrates 18 inches into the soil, to the depth of tree roots. Do not water native oaks during the warm dry season (June – September) as this activates oak root fungus. Instead, make sure that the soil is sufficiently insulated with mulch (where possible). Remember that unsevered tree roots typically extend three to five times the distance of the canopy.

## Project Arborist Supervision

I recommend the Project Arborist meet with the builder on-site:

- Soon after excavation
- During any root pruning
- As requested by the property owner or builder to document tree condition and on-going compliance with tree protection plan (I suggest every 6 weeks).

**Any time development-related work is recommended to be supervised by a Project Arborist, a follow-up letter shall be provided, documenting the mitigation has been completed to specification.**

## POST-CONSTRUCTION

Ensure any mitigation measures to ensure long-term survival including but not limited to:

### Continued Tree Care

*Provide adequate and appropriate irrigation.* As a rule of thumb, provide 1- 2 inches of water per month. Water slowly so that it penetrates 18 inches into the soil, to the depth of the tree roots. Native oaks usually should not be provided supplemental water during the warm, dry season (June – September) as this activates oak root fungus. Therefore, native oaks should only be watered October – May when rain has been scarce.

*Mulch* insulates the soil, reduces weeds, reduces compaction, and promotes myriad benefits to soil life and tree health. Apply four inches of wood chips (or other mulch) to the surface of the soil around trees, extending at least to the dripline when possible. Do not pile mulch against the trunk.

*Do not fertilize* unless a specific nutrient deficiency has been identified and a specific plan prescribed by the project arborist (or a consulting arborist).

### Post-Construction Monitoring

Monitor trees for changes in condition. Check trees at least once per month for the first year post-construction. Expert monitoring should be done at least every 6 months or if trees show signs of stress. Signs of stress include unseasonably sparse canopy, leaf drop, early fall color, browning of needles, and shoot die-back. Stressed trees are also more vulnerable to certain disease and pest infestations. Call the Project Arborist, or a consulting arborist if these, or other concerning changes occur in tree health.

### City Arborist Inspection

**A final inspection by the City Arborist is required at the end of the project. This is to be done before Tree Protection Fencing is taken down. Replacement trees should be planted by this time as well.**



## Conclusion

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The home building project planned at 715 Laurel Avenue appeared to be a valuable upgrade to the property and neighborhood. If the recommendations and protection measures in this report are followed, all trees identified for preservation are expected to survive. Most trees would be expected to sustain low impact. However, special care should be taken building close to the neighboring oak, Tree #4.

If any of the parties involved have questions on this report, or require Project Arborist supervision or technical support, please do not hesitate to contact me at (408) 497-7158 or [busara@bofirestone.com](mailto:busara@bofirestone.com).

Signed,



Busara (Bo) Firestone | ISA Certified Arborist WE-#8525A | ISA Qualified Tree Risk Assessor |  
ASCA Tree and Plant Appraisal Qualification | Member – American Society of Consulting Arborists

# Supporting Information

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## GLOSSARY

*Terms appear in the order they appear from left to right on the inventory column headings.*

**DBH / DSH:** Diameter at 4.5' above grade. Trees which split into multiple stems at 4.5' are measured at the narrowest point below 4.5'.

**Mathematic DBH / DSH:** diameter of multitrunked tree, mathematically derived from the combined area of all trunks.

**SPREAD:** Diameter of canopy between farthest branch tips

**TREE STATUS:** A "Heritage Tree" is a tree that has protected status by the City of Menlo Park. The City can classify trees with Heritage status for their remarkable size, age, or unique value. However, in general, native oaks of 10 inches or more, and any tree having a trunk with a diameter of 15 inches or more has Heritage status (measured at 54 inches above natural grade, or at the branching point for multi-trunk trees).

**CONDITION-**Ground based visual assessment of structural and physiological well-being:

"**Excellent**" = 81 - 100%; Good health and structure with significant size, location or quality.

"**Good**" = 61-80%; Normal vigor, full canopy, no observable significant structural defects, many years of service life remaining.

"**Fair**" = 41-60%; Reduced vigor, significant structural defect(s), and/or other significant signs of stress

"**Poor**" = 21- 40%; In potentially irreversible decline, structure and aesthetics severely compromised

"**Very Poor**" = 6-20%; Nearly dead, or high risk of failure, negative contribution to the landscape

"**Dead/Unstable**" = 0 - 5%; No live canopy/buds or failure imminent

**IDEAL TPZ RADIUS:** Minimum recommended tree protection radius to ensure healthy, sound trees. Based on species tolerance, age, and size (total combined stem area). Compromising the radius in a specific area may be acceptable as per arborist approval.

**AGE:** Relative to tree lifespan; "Young" <1/3; "Mature" 1/3 - 2/3; "Overmature" >2/3

**IMPACT:** Anticipated impact to an individual tree including.....

**SEVERE** - In direct conflict, removal necessary if plans proceed (distance to root cuts/fill within 3X DBH)

**HIGH** - Ideal TPZ significantly encroached upon but could still be retained with monitoring or alternative building methods. Health and structure may worsen even if conditions for retainment are met. May recommend alternative TPZ method due to proximity to work.

**MODERATE** - Ideal TPZ encroached upon in limited areas. Special building guidelines may be provided by Project Arborist. Although some symptoms of stress are possible, tree is not likely to decline due to construction related activities. May recommend alternative TPZ method due to proximity to work.

**LOW** - Minor or no encroachment on ideal TPZ. Longevity uncompromised with standard protection.

**VERY LOW** - Ideal TPZ well exceeded. Potential impact only by ingress/egress. Longevity uncompromised.

**NONE** - Negligible anticipated impact.

**TOLERANCE:** General species tolerance to construction (HIGH, MODERATE, or LOW) as given in Managing Trees During Construction, Second Edition, by International Society of Arboriculture

**SUITABILITY ASSESSMENT:** An individual tree's suitability for preservation considering impacts, condition, maturity, species tolerance, site characteristics, and species desirability. (HIGH, MODERATE, or LOW)

**APPRAISAL RESULT:** The reproduction cost of tree replacement as calculated by the Trunk Formula Technique.

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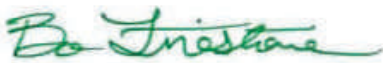
*Assessment*: International Society of Arboriculture, 2011. Print.

## CERTIFICATE OF APPRAISAL

I, Busara Rea Firestone, CERTIFY to the best of my knowledge and belief:

1. That the statements of fact contained in this plant appraisal are true and correct.
2. That the appraisal analysis, opinions, and conclusion are limited only by the reported assumption and limiting conditions, and that they are my personal, unbiased professional analysis, opinions, and conclusions.
3. That I have no present or prospective interest in the plants that are the subject of this appraisal, and that I have no personal interest or bias with respect to the parties involved.
4. That my compensation is not contingent upon a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. That my analysis, opinions, and conclusions are developed, and this appraisal has been prepared, in conformity with the *Guide for Plant Appraisal (10<sup>th</sup> edition, 2000)* authored by the Council of Tree and Landscape Appraisers.
6. That the methods found in this appraisal are based on a request to determine the value of the plants considering reasonable factors of plant appraisal.
7. That my appraisal is based on the information known to me at this time. If more information is disclosed, I may have further opinions.

Signed,



Busara (Bo) Firestone

ISA Certified Arborist WE-#8525A

12/07/2021

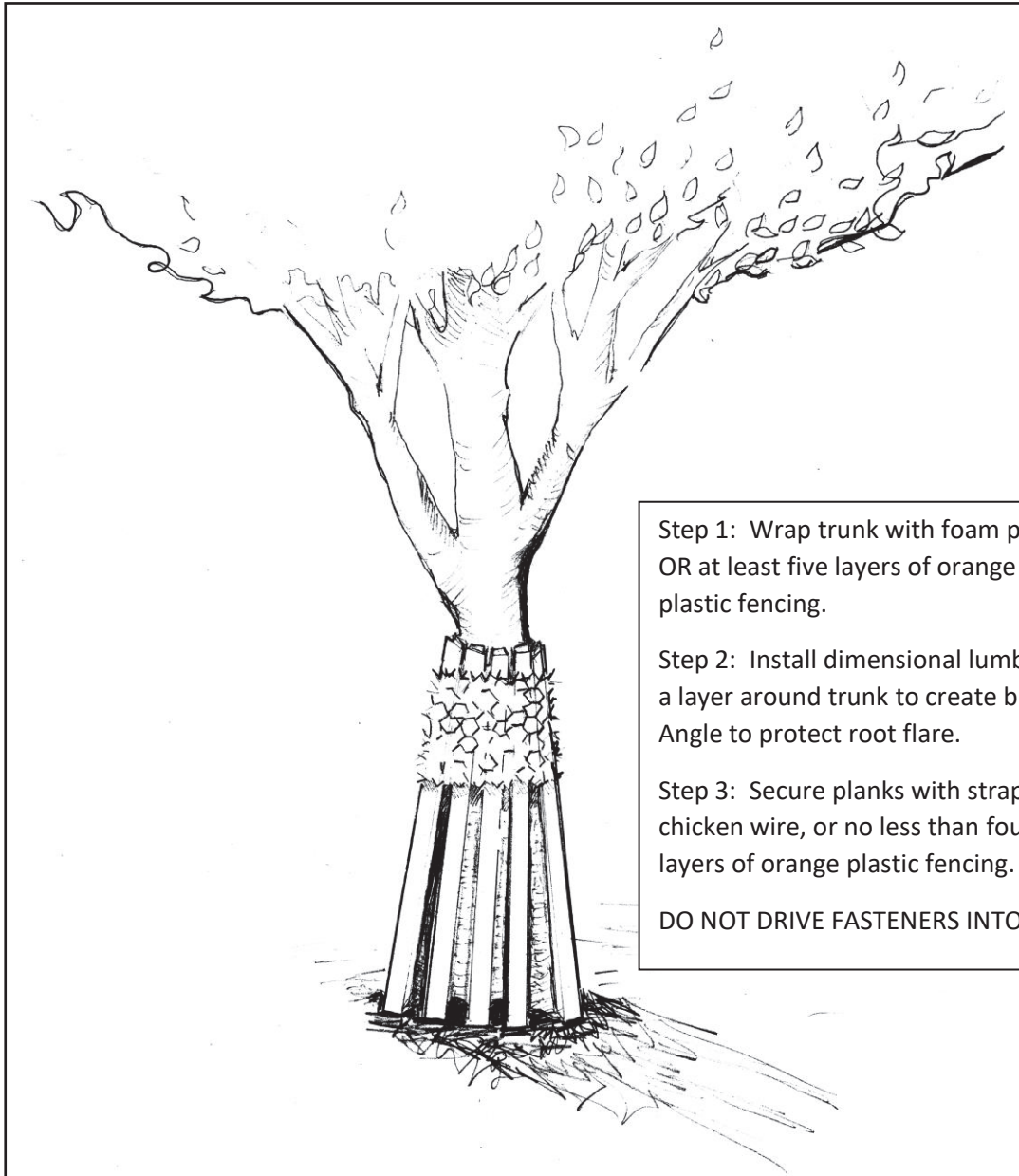


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## TPZ II – Alternative Method of Tree Protection

May be used to protect trunk from damage during construction activities when standard TPZ fencing is not practical. Install prior to construction activities. Adjust to allow for diameter growth as needed.



Step 1: Wrap trunk with foam pad OR at least five layers of orange plastic fencing.

Step 2: Install dimensional lumber in a layer around trunk to create barrier. Angle to protect root flare.

Step 3: Secure planks with straps, chicken wire, or no less than four layers of orange plastic fencing.

**DO NOT DRIVE FASTENERS INTO TREE**

**TREE INVENTORY - 715 Laurel Ave, Menlo Park, CA, 94025**

Mehta & Sharma Residence - 05/19/22

TREE IMPACT ASSESSMENT																				
#	Heritage (H)	Common Name	Botanical Name	Protected Status	DBH (inches)	math. DBH (inches)	Height (feet)	Spread (feet)	Condition	Age	Species Tolerance	6X DSH+ (feet)	Estimated Root Loss**	TPZ mult. Factor	Ideal TPZ Radius (ft)	Impact Level ***	Suitability Rating	Prescription	Appraisal Result	
1	H	Coast Live Oak	<i>Quercus agrifolia</i>	HERITAGE	30	30	60	40	GOOD (75%)	MATURE	HIGH	15	< 10%	8	20	LOW	HIGH	PRESERVE	\$19,500	
2	H	Coast Live Oak	<i>Quercus agrifolia</i>	HERITAGE	(2)20	28	50	30	FAIR (50%)	MATURE	HIGH	14	<10%	8	19	LOW	MODERATE	PRESERVE	\$8,800	
3		Japanese Maple	<i>Acer palmatum</i>	(not heritage)	est. 10	10	20	20	GOOD (75%)	MATURE	MODERATE	5	<10%	12	10	LOW	HIGH	PRESERVE	\$2,860	
4	H	Coast Live Oak	<i>Quercus agrifolia</i>	HERITAGE	est. 30	30	50	50	GOOD (75%)	MATURE	HIGH	15	< 25%	8	20	MODERATE	HIGH	PRESERVE	\$17,400	

SEE GLOSSARY FOR DEFINITION OF TERMS

\* 6X DBH is recognized by tree care industry best practices as the distance from trunkface to a cut across the root plate that would result in a loss of approximately 25% of the root mass. Cuts closer than this may result in tree decline or instability.  
 \*\*Based on approximate distance to excavation and extent of excavation (as shown on plans).

Appraisal calculations summary available upon request.

**TREE PROTECTION RECOMMENDATIONS PER ARBORIST REPORT**

TREES #1 AND #2:  
 TPZ TRUNK WRAP TO SERVE AS PROTECTION DURING DEMOLITION OF SMALL STRUCTURES UNDER THESE TREES.  
 TREE #3 AND #4:  
 EXISTING FENCE AT THE PROPERTY LINE TO SERVE AS PROTECTION FOR THESE TREES, DUE TO PROXIMITY OF WORK, ADDITIONAL FENCING WOULD NOT BE PRACTICAL.

**TREE INVENTORY**

1. COAST LIVE OAK (HERITAGE) - 30" DBH, 40' CANOPY
2. COAST LIVE OAK (HERITAGE) - 2 x 20" DBH, 30' CANOPY
3. JAPANESE MAPLE - EST. 10" DBH, 20' CANOPY
4. COAST LIVE OAK (HERITAGE) - EST. 30" DBH, 50' CANOPY

TPZ NOTE: EXISTING FENCE AT PROPERTY LINE TO SERVE AS PROTECTION FOR THESE TREES, DUE TO PROXIMITY OF WORK, ADDITIONAL FENCING WOULD NOT BE PRACTICAL.

TPZ NOTE: EXISTING FENCE AT PROPERTY LINE TO SERVE AS PROTECTION FOR THESE TREES, DUE TO PROXIMITY OF WORK, ADDITIONAL FENCING WOULD NOT BE PRACTICAL.

**LEGEND**

--- TO BE DEMOLISHED

(E) ELECTRICAL METER

(G) GAS METER

TPZ MAP LEGEND:

- TO BE REMOVED
- TO BE SPARED
- TPZ ON NEIGHBORING PROPERTY (PUBLIC USE ONLY - CANOPY)
- TPZ PROTECTION FENCING (SEE REPORT FOR SPEC.)
- TRUNK WRAP (SEE ATTACHED SPEC.)
- ROOT PROTECTION (SEE ATTACHED SPEC.)

**SITE ANALYSIS**

ZONING: R-1-U SINGLE FAMILY URBAN RESIDENTIAL

LOT AREA	7000 SF
FLOOR AREA	2,776 SF
MAIN HOUSE	824 SF
COVERED AREA ON SITE	1,983 SF
BUILDING COVERAGE	28.3 %
LANDSCAPED AREA	3654 SF
LANDSCAPE COVERAGE	52.2 %
PAVED + DECK AREA	1383 SF
PAVED + DECK COVERAGE	19.5 %
PARKING	1 COV. / 1 UNCOV.
BFE	29.2'
DFE	30.2'
FRE	30.25'

**LEGEND**

--- TO BE DEMOLISHED

(E) ELECTRICAL METER

(G) GAS METER

TPZ MAP LEGEND:

- TO BE REMOVED
- TO BE SPARED
- TPZ ON NEIGHBORING PROPERTY (PUBLIC USE ONLY - CANOPY)
- TPZ PROTECTION FENCING (SEE REPORT FOR SPEC.)
- TRUNK WRAP (SEE ATTACHED SPEC.)
- ROOT PROTECTION (SEE ATTACHED SPEC.)

**TREE PROTECTION ZONE MAP**

75 LAUREL AVE, MENLO PARK, CA

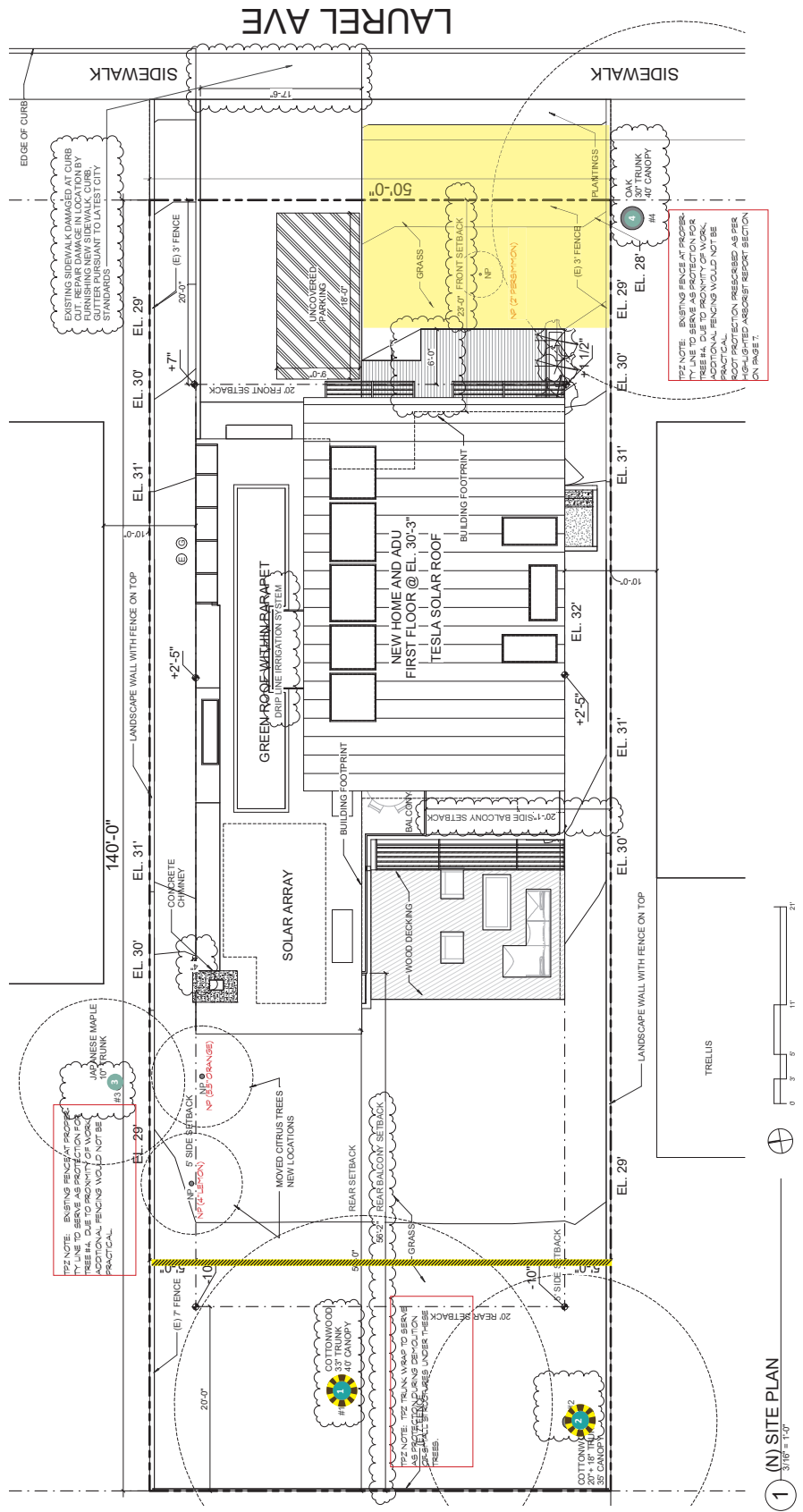


DATE:  
REV. 05/19/22

TPZ ELEMENTS DRAWN:  
B. FRESTONE  
ISA-CERTIFIED ARBORIST  
#VE-9525A

BASE MAP: A-13  
BY DESIGN DRAW BUILD  
(REV. 05/10/22)

ARBORIST REPORT  
pg 16



1 (N) SITE PLAN  
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## STAFF REPORT

### Planning Commission

Meeting Date: 12/12/2022

Staff Report Number: 22-072-PC

### Public Hearing and Study Session:

**Draft Environmental Impact Report (EIR) public hearing and study session for the proposed 123 Independence Drive Project with approximately 316 rental apartment units and 116 for-sale townhome condominium units with associated open spaces and other improvements located at 119 Independence Drive, 123-125 Independence Drive, 127 Independence Drive, 1205 Chrysler Drive, and 130 Constitution Drive**

## Recommendation

Staff recommends that the Planning Commission conduct:

- A public hearing to receive public testimony and provide comments on the Draft EIR; and
- A study session to receive public comments and ask clarifying questions on the proposed project, including but not limited to the applicant's project refinements since the previous Planning Commission study session on September 27, 2021, and the community amenities proposal.

The December 12, 2022 meeting will not include any project actions. Pursuant to Menlo Park Municipal Code Chapters 16.82 (Use Permit), Section 16.68.020 (Architectural Control), Chapter 16.45 (R-MU Residential Mixed Use District), Section 16.43.070 (Community Amenities) and 13.24 (Heritage Trees), the Planning Commission is required to review, and make the final decision on the certification of the Final EIR and the requested use permit and architectural control. However, the Planning Commission will review the subdivision and the vesting tentative map and project specific equivalent alternatives to the Below Market Rate (BMR) guidelines, and provide a recommendation to City Council. The City Council will be the final decision-making body on the major subdivision map, project specific equivalent alternatives to the BMR guidelines, and any appeals on the project entitlements.

Staff recommends the following meeting procedure for the two items, allowing the public and the Planning Commission to focus comments and discussion on the specific project components.

### ***Draft EIR public hearing***

- Introduction by staff
- Presentation by the applicant
- Presentation by City's EIR Consultant
- Public comments on Draft EIR
- Commissioner questions and comments on Draft EIR
- Close of public hearing

### ***Project proposal study session***

- Introduction by staff
- Commissioner questions on proposed project
- Public comments on proposed project
- Commissioner comments on proposed project

Including the applicant team's presentation during the Draft EIR public hearing instead of the study session allows the Planning Commission and community members to receive an overview of the proposed project prior to providing comments on the Draft EIR.

## Policy Issues

A public hearing on the Draft EIR provides an opportunity for the Planning Commission and the public to comment on the completeness and accuracy of the Draft EIR document. A study session provides an opportunity for the Planning Commission and the public to ask clarifying questions on the proposed project's details and design. The Draft EIR public hearing and the study session should be considered as separate items, with comments and clarifying questions used to inform future consideration of the proposed project. The Planning Commission will consider approval of the requested entitlements at future meetings and provide a recommendation to the City Council on the proposed major subdivision and project specific BMR housing program, after the City has received public comments on the Draft EIR and prepares responses. The heritage tree removal permits are reviewed separately by the City Arborist before the Commission makes any decision on the overall project entitlements. Commissioners are advised to refrain from expressing a position regarding recommending approval of the project until the environmental review process is completed and the project is before the Planning Commission for action.

The proposed project requires the following actions:

1. **Environmental Review** to analyze potential environmental impacts and certify the EIR as legally compliant with CEQA;
2. **Use Permit** for bonus-level development (which requires the provision of community amenities) and for the storage and use of diesel fuel for the proposed onsite backup generator;
3. **Architectural Control** approval of the design of the new buildings and associated site improvements, including review of the requested concessions and waivers associated with the development of for-sale inclusionary housing units pursuant to the State Density Bonus Law;
4. **Major Subdivision** to change boundaries of the existing five parcels to create five reconfigured parcels, with one parcel containing the apartment building, one parcel containing the common publicly accessible open space, and the remaining three parcels containing the 116 townhome units;
5. **Below Market Rate (BMR) Housing Agreement** to provide 48 apartment and 18 townhome BMR units on-site in accordance with the City's BMR Ordinance and project specific equivalent alternatives to the Below Market Rate (BMR) guidelines to allow development of the proposed for-sale units on a separate stand-alone parcel within the project site; and,
6. **Heritage Tree Removal Permits** to remove heritage trees to enable the proposed project and plant heritage tree replacements per the City's municipal code requirements

In addition, the City has prepared the following documents to analyze the proposed project and inform reviews by community members, the Planning Commission, and the City Council:

- Housing Needs Assessment (HNA), including an analysis of the multiplier effect for indirect and induced employment from the proposed project, in compliance with the terms of the 2017 settlement agreement

- between the City of Menlo Park and the City of East Palo Alto;
- Fiscal Impact Analysis (FIA) to inform decision makers and the public of the potential fiscal impacts of the proposed project; and
  - Appraisal to identify the required value of the community amenity in exchange for bonus level development.

These reports are not subject to specific Planning Commission action, but provide background information for the Commission's consideration alongside the requested land use entitlements and environmental review.

After the close of the Draft EIR public comment period on January 17, 2023, the City and its environmental consultant will review and respond to all substantive comments received in what is referred to as a "Response to Comments" document, which along with the Draft EIR and any revisions, additions, or clarifications to the Draft EIR, will constitute the Final EIR. The Planning Commission, as the final decision maker, will review the Draft and Final EIR together and determine if the environmental review was prepared in compliance with the California Environmental Quality Act (CEQA). Certifying the EIR as legally adequate and adopting findings to comply with CEQA must be completed prior to taking final action on the proposed project. After certifying the Final EIR, the Planning Commission would then consider and take action on the requested land use entitlements and make recommendations to the City Council on the requested major subdivision and project specific equivalent alternatives to the Below Market Rate (BMR) guidelines. Certifying the EIR does not require approval of the project.

## **Background**

### ***Site location***

The project site consists of five parcels zoned R-MU-B (Residential Mixed Use-Bonus) with a total of approximately 8.15 acres, which is currently developed with five office/industrial buildings totaling approximately 103,000 square feet in size. The existing buildings would be demolished as part of the redevelopment of the project site.

For purposes of this staff report, Bayfront Expressway (California State Route 84) is considered to have an east-west orientation, and all compass directions referenced will use this orientation. The project site is located south of Bayfront Expressway, east of Marsh Road, and north of the Bayshore Freeway (US-101). The parcels to the north and south are located in the commercial business park (M-3-X) zoning district and are part of the Menlo Gateway project. The parcels to the west are also in the R-MU-B zoning district and are being redeveloped with residential and office uses for the approved Menlo Portal project. The parcels to the east and across Chrysler Drive are in the R-MU-B zoning district and Office (O-B) zoning district and currently contain office and industrial buildings. A location map is provided in Attachment A.

### ***Previous proposal***

A mixed-use version of the project which included the development of the project site with 316 rental apartment units, 67 for-sale townhomes, and approximately 88,750 square feet of office space was reviewed by the Planning Commission on January 25, 2021. On June 30, 2021, the applicant revised the application to develop a 100 percent residential project with 316 rental apartment units and 116 for-sale townhomes. The City reissued the Notice of Preparation (NOP) and reinitiated the environmental review process for the revised project (Attachment B) due to these changes. The Planning Commission held a public hearing on September 27, 2021 to solicit comments on the updated NOP and conduct a study session on the revised project proposal. During the September 27, 2021 study session, the Commission

provided comments on the project BMR proposal, community amenities proposal, traffic impacts in the area, and need for a pedestrian bridge across the inactive Dumbarton Corridor to Kelly Park and the Menlo Park Community Campus, which is currently under construction. Excerpt minutes of the September 27, 2021 meeting along with certified transcript of the comments received on the NOP are available as Attachment C.

### ***Project overview***

The applicant proposes to demolish existing buildings and site improvements across the entire project site and redevelop the site with a four-story multi-family 316-unit rental apartment building and 116 for-sale condominium units in three-story townhomes with project attributes listed in Table 1. The proposed project would be developed in 23 separate residential buildings along with associated parking, recreational open space, and landscaping. The project plans including materials and color board are included in Attachment D.

The applicant is proposing to develop the project utilizing the bonus level provisions identified in the Zoning Ordinance. The bonus level provisions of the R-MU-B zoning district allow a development to seek an increase in floor area ratio (FAR), density (dwelling units per acre), and/or height subject to obtaining a use permit and providing one or more community amenities, as further discussed in the “Community amenities” section of the report.

### **Site layout**

The proposed new four-story apartment building would consist of 316 multi-family residential rental units located over two levels of structured parking, one level of which is under ground. Stairs and pedestrian ramps at the northwest corner of the building would bring pedestrians from the sidewalk to the front doors of the lobby on Constitution Drive. A driveway from Constitution Drive would provide access to the garage entrance located along the northern side of the building. Residential units are proposed to line the north, west, and south sides of the building and would have direct access from Constitution Drive and the publicly accessible paseo located along the western property line via residential stoops and entries.

The publicly accessible paseo would connect Constitution Drive and Independence Drive and would run along the western property line along the length of the proposed apartment building widening into an approximately 100 feet by 105 feet publicly accessible private park before meeting Independence Drive. The paseo is proposed to be used for emergency vehicle access (EVA) on the project site as permitted by the Zoning Ordinance. The paseo bifurcates the southern portion of the site where the proposed 116 for-sale townhome units would be located in 22 separate buildings.

Eight three-story townhome buildings would front on Independence Drive and Chrysler Drive, two buildings and a portion of the third building would have frontages on the park, and remaining buildings would have frontages on interior meandering landscaped areas and pathways. The townhome units fronting Independence Drive and Chrysler Drive would be accessed directly from the street by pedestrians, with vehicular access provided from interior driveways. The townhomes are proposed to be accessible from Independence Drive via two vehicular access points. One vehicular access is proposed to be located along Chrysler Drive. The proposed residential buildings would comply with the minimum and maximum setbacks permitted at the street frontages. The majority of the street façade would be located within the maximum 25-foot setback requirement.

The summary below provides an overview of the proposed project for the Planning Commission, based on Table 1 below. More detailed information on the overall project, including open space, architectural design, transportation demand management (TDM), below market rate (BMR) housing, and sustainability are contained within the study session portion of this staff report. A table summarizing the project previous meetings and milestones is included in Attachment E.

Density, floor area ratio (FAR), and gross floor area (GFA)

Table 1 provides a comparison of the existing development, the proposed new development, and the development standards established by the R-MU-B zoning regulations.

Table 1: Project Data			
	Existing development	Proposed project	Zoning Ordinance bonus level standards (maximums)*
Residential dwelling units	0	432 units	815 units
Residential square footage	0	476,962 sq.ft.	798,782 sq.ft.
Residential floor area ratio	0	134%	225%
Office square footage	103,900 sq.ft.	0	88,754 sq.ft.
Office floor area ratio	29.3%	0	25%
Total square footage	103,900 sq.ft.	476,962 sq.ft.	887,535 sq.ft.
Total floor area ratio	29.3%	134%	250%
Height (maximum)	25 feet	67 feet	95 feet**
Height (average)	19.7 feet	48.75 feet	62.5 feet**

\*This maximum is based on a density of 100 dwelling units per acre.

\*\*Maximum height and average height do not include roof-mounted equipment, utilities, or parapets used to screen mechanical equipment; maximum height and average height include a 10-foot increase for properties in the flood zone.

For the purposes of this project, all five parcels are considered as one project site. In the R-MU-B zoning district, base level development has a maximum FAR of 90 percent at 30 dwelling units per acre and at the bonus level the maximum FAR increases on an even gradient to 225 percent at 100 dwelling units per acre (approximately 2.25 percent FAR for each unit).

Height

The proposed apartment building would have a maximum height of 65 feet, where 95 feet is the maximum height permitted for any building on a bonus level development site in the R-MU-B zoning district. The proposed townhome buildings would have a maximum height of approximately 44 feet. More information about the average height and maximum height of the existing and proposed buildings is included in Table 1.

Site access and circulation

The project site would be accessible from Constitution Drive to the north with a direct access into the multi-family apartment building garage. There would be a publicly accessible paseo and pedestrian access from the north east corner of the site which would be directly accessible from Constitution Drive. The paseo would provide north-to-south pedestrian and bicycle access through the site and connect Constitution Drive

and Independence Drive. As mentioned previously, the paseo would double as an EVA and is accessible by emergency services as needed. The paseo would have furnishing zones every 100 feet, landscaping, and lighting through its length. The paseo is proposed to be designed to widen into a publically accessible park, within the middle of the project site, before it connects to Independence Drive. The project proposes two vehicular access points on Independence Drive and one access point on Chrysler Drive. As part of the proposed project, it is anticipated that a new sidewalk and other street frontage improvements such as street trees, planting buffers (including green infrastructure), and complete streets improvements would be provided along Independence, Chrysler, and Constitution Drives, as required by the City’s Public Works Department.

Vehicular and bicycle parking

The proposed project would include 336 vehicular spaces in the two level-garage structure of the proposed multi-family apartment building. Of the 336 vehicular spaces, six spaces would be available for guest use. For the for-sale townhome units, the project proposes to provide 180 garage parking spaces and 36 guest parking spaces. The townhomes would feature a minimum of one parking space in each garage. Approximately 34 townhomes feature two parking spaces in the garage, but in tandem configuration. The following table provides a more detailed overview of the parking for the proposed project:

Table 2: Parking requirements		
	Proposed	Zoning Ordinance standards
Proposed apartment parking	330 (plus 6 guest spaces) = 336	min. 316 and max. 474
Proposed townhome parking	180 (plus 36 guest spaces) = 216	min. 116 and max. 174
Total residential parking stalls	510 (plus 42 guest spaces) = 552	min. 432 and max. 648
Total residential parking ratio (spaces/dwelling unit)	1.27	min. 1 and max. 1.5 spaces per unit

\*The project also includes 34 tandem spaces, which are not included in the total shown above pursuant to the Zoning Ordinance’s requirements for single-vehicle spaces. The total number of vehicular parking space are 586 spaces.

The Zoning Ordinance requires parking within multi-family developments to be unbundled from the price of the unit (unless parking is physically connected to the unit). Therefore, the proposed project would be required to unbundle the parking for the apartment units. In addition, as required by the R-MU-B zoning regulations, the project would be required to submit a TDM plan demonstrating that the project would reduce associated vehicle trips by least 20 percent below standard generation rates for uses on the site. The TDM plan and associated trip reduction could reduce the parking demand for the proposed project. The efficacy of the TDM plan was analyzed through the environmental review process and was founds to meet the trip reduction targets required by the Zoning Ordinance.

Residential uses in the R-MU-B zoning district require 1.5 long-term bicycle parking spaces per unit plus an additional 10 percent short-term spaces for guests. Consistent with the requirements of the Zoning Ordinance, the applicant has proposed to provide 474 long-term bicycle parking spaces and 48 short-term bicycle parking spaces for the apartment building, and 174 long-term bicycle parking spaces and 18 short-term bicycle parking spaces to serve the proposed townhomes. The long-term bicycle storage is located on the first floor of the apartment building and for the townhomes units is located within the garage. The short term bicycle parking spaces are located near the two entrances to the apartment building, near the publicly accessible open space and at various other locations in proximity to the townhome buildings.

### ***California Environmental Quality Act (CEQA) review***

A Draft EIR evaluates potential environmental impacts that could result from implementation of the proposed project. Under CEQA, a significant environmental effect is a potentially substantial, adverse change in any of the physical conditions within the area affected by the project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance. Potential environmental impacts under CEQA are only related to the physical environment, and do not evaluate potential social or economic effects of the proposed project. Each potential impact is determined based on criteria of significance, which are thresholds set by the CEQA Guidelines and applicable City policies to determine whether an impact is potentially significant.

As stated in the CEQA Guidelines, an EIR is an informational document that is intended to provide the City, responsible and trustee agencies, other public agencies, and community members with detailed information about the potential environmental effects that could result from implementing the proposed project, examine and implement mitigation measures to reduce or avoid potentially significant physical environmental impacts if the proposed project is approved, and consider feasible alternatives to the proposed project, including a required No Project Alternative. Members of the Planning Commission were previously provided a copy of the Draft EIR for the proposed project, which was released on Monday, November 28, 2022. A hyperlink is also included in Attachment F.

The December 12, 2022 Planning Commission meeting falls within the Draft EIR comment period, which ends on Tuesday, January 17, 2023 and serves as a public hearing to receive comments from interested persons and the Planning Commission on the Draft EIR. The CEQA process recognizes that public agencies cannot produce a perfect Draft EIR and thus comments are solicited on the substantive analysis provided in the Draft EIR. Oral comments received during the public hearing and written comments received during the Draft EIR comment period will be considered while preparing the Final EIR for the proposed project. Responses to substantive comments on the Draft EIR will be included in the Final EIR.

Prior to development of the Draft EIR, and in accordance with CEQA Guidelines, a Notice of Preparation (NOP) for a prior version of the project including office buildings along with residential uses was released for a 30-day circulation period starting on January 8, 2021 to February 8, 2021. The City reissued the NOP for a revised 100 percent residential project on September 10, 2021. Following the release of the revised NOP, the Planning Commission conducted a scoping session on September 27, 2021, to provide an opportunity early in the environmental review process for the Planning Commission and interested person to provide comments on the scope and content of the EIR.

The Project site is within the General Plan and M-2 Area Zoning Update (Connect Menlo) study area. ConnectMenlo, which updated the City's General Plan Land Use and Circulation Elements and rezoned land in the M-2 Area (now referred to as the Bayfront Area), was approved on November 29, 2016. The certified ConnectMenlo EIR included an evaluation of 4,500 residential units in the Bayfront Area, consisting of 3,000 unrestricted residential units and 1,500 corporate dormitory-style units on the Meta East Campus (also known as the Classic Campus). Because the City's General Plan is a long range planning document, the ConnectMenlo Final EIR was prepared as a program EIR, pursuant to CEQA Guidelines Section 15168. Section 15168(d) of the CEQA Guidelines provides information for simplifying the preparation of subsequent environmental documents by incorporating by reference analyses and discussions. CEQA Guidelines Section 15162(d) states that where an EIR has been prepared and certified for a program or plan, the environmental review for a later activity consistent with the program or plan should be limited to effects that were not analyzed as significant in the prior EIR or susceptible to substantial reduction or avoidance. The proposed project, if approved, would result in more than 3,000 unrestricted units in the Bayfront Area, therefore, a full EIR is required. Although a full EIR is required, a general plan amendment is not required.

The general plan identifies 4,500 residential units in total and does not make the distinction between types of residential units. Because the proposed number of units is consistent with the level of residential development allowed under the general plan, no amendment is necessary.

The Draft EIR was prepared in accordance with the terms of the settlement agreement between the cities of Menlo Park and East Palo Alto, which allows for simplification in accordance with CEQA Guidelines Section 15168 for all topic areas, except housing and transportation. The analysis provided in the Draft EIR tiers from the certified ConnectMenlo EIR as appropriate.

## Analysis

### *Draft EIR*

While the project-level Draft EIR tiers from the ConnectMenlo program-level EIR, most CEQA topic areas were included in the Draft EIR, including the following:

- Aesthetics
- Air quality
- Biological resources
- Cultural resources
- Energy
- Geology, soils, seismicity, and paleontological resources
- Greenhouse gas emissions
- Hazards and hazardous materials
- Hydrology and water quality
- Land use and planning
- Noise
- Population, employment, and housing
- Public services and recreation
- Transportation
- Tribal cultural resources
- Utilities and service systems

Section 15128 of the CEQA Guidelines states that “an EIR shall contain a statement briefly indicating the reasons that various possible significant effects of a project were determined not be significant and were therefore not discussed in detail in the EIR.” Implementation of the proposed project would not result in significant environmental impacts on agricultural and forestry resources, mineral resources, or wildfire and were not further analyzed in the Draft EIR.

### Impact analysis

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

- No Impact (NI)
- Less than Significant (LTS)
- Significant (S)
- Potentially Significant (PS)

Where a significant or potentially significant impact is identified, mitigation measures are considered to reduce, eliminate, or avoid the adverse effects (less than significant with mitigation). If a mitigation measure cannot eliminate/avoid an impact, or reduce the impact below the threshold of significance, it is considered a significant and unavoidable impact. One of the following determinations is then applied to the impact:



- Less than Significant with Mitigation (LTS/M)
- Significant and Unavoidable (SU)

Table 3 provides a summary of impacts for applicable topic areas that could result from the proposed project and the level of significance of the impact after implementation of the mitigation measures.

Table 3: Summary of impacts			
Topic areas	Level of significance before mitigation	Mitigation required	Level of significance after mitigation
Aesthetics	LTS	No	n/a
Air Quality	PS	Yes	LTS/M
Biological resources	PS	Yes	LTS/M
Cultural resources	PS	Yes	LTS/M
Energy	LTS	No	n/a
Geology and soils	LTS	No	n/a
Greenhouse gas emissions	LTS	No	n/a
Hazards and hazardous materials	PS	Yes	LTS/M
Hydrology and water quality	LTS	No	n/a
Land use and planning	LTS	No	n/a
Noise	PS	Yes	LTS/M
Population and housing	LTS	No	n/a
Public services	LTS	No	n/a
Transportation	LTS	No	n/a
Tribal cultural resources	PS	Yes	LTS/M
Utilities and service systems	LTS	No	n/a

A complete description of potential impacts and recommended mitigation measures for all topic areas is provided in Table 1-1 of the Executive Summary chapter of the Draft EIR (Attachment G).

**Project alternatives**

Although the Draft EIR concluded that implementation of the proposed project would not create any significant and unavoidable impacts, CEQA Guidelines require study of a reasonable range of alternatives to the proposed project. A “reasonable range” includes alternatives that could feasibly attain most of the project’s basic objectives, while avoiding or substantially lessening any of the significant adverse environmental effects of the project. An EIR does not need to consider every conceivable alternative to a project, but it must consider a reasonable range of potentially feasible alternatives for the purpose of fostering informed decision-making and public participation. Section 15126.6(e) of the State CEQA Guidelines requires the evaluation of a No Project Alternative. Other alternatives may be considered during preparation of the EIR and must comply with the State CEQA Guidelines. Alternatives considered but rejected include:

1. **Off-site alternative:** An alternative location was explored but rejected because it would require general plan and Zoning Ordinance amendments to accommodate a similar project and/or land acquisition. Additionally, if the proposed project were to be developed at an alternative site, the existing office and industrial buildings onsite would remain in place which would not contribute to the realization of

ConnectMenlo goals for the Bayfront area.

2. **All commercial option alternative:** Commercial and retail uses are permitted under the R-MU zoning district, but would not achieve the basic project objectives related to the proposed project, and would not be consistent with the ConnectMenlo goals to increase residential use in the Bayfront area. An all commercial option alternative would also not comply with the R-MU zoning district, which requires residential units as a component of any development project. Moreover, an all commercial alternative would result in greater environmental effects than the proposed project because it would not contribute to a better jobs/housing balance and increase in affordable housing.
3. **Reduced parking alternative:** The intent of this alternative was to achieve maximum VMT reduction allowed per the California Air Pollution Control Officers Association (CAPCOA). Under this scenario the development proposal would be the same, but the total parking would be reduced by 137 spaces, with the resulting project providing 415 spaces. The VMT reduction is estimated using a CAPCOA equation<sup>1</sup> which compares the proposed parking ratio against the ITE parking demand rate. The ITE parking generation rate for multi-family (mid-rise) uses is 1.31 spaces per dwelling unit, while the rate for the multi-family housing (low-rise) is 1.21 spaces per dwelling unit. The proposed project includes a total of 552 parking spaces (including guest spaces and tandem spaces), which is 1.28 spaces per dwelling unit. The proposed 1.28 spaces per unit ratio is in between the ITE estimated demand for these uses, however, the average of the ITE rates is 1.26 spaces per dwelling unit, which is slightly less than the proposed project parking ratio. CAPCOA identifies that at maximum a 12 percent VMT reduction can be realized by limiting vehicle parking on site. To achieve this, the parking rate would have to be lowered to a rate of 0.96 spaces per dwelling unit.

Additionally, the project is required to implement a transportation demand management program (TDM) that would reduce per capita VMT for the project site by minimum 20 percent. One of the measures in the proposed TDM would require that the apartment building parking is “unbundled”, meaning that apartment leases would not automatically include a designated parking space. Thus, a reduction in parking would not lead to substantial reductions in VMT compared to the proposed TDM plan.

This alternative was rejected from further consideration because it would not reduce any of the project’s significant impacts. Also, considering the City’s zoning ordinance requirement of a minimum one parking space per dwelling unit, any additional reduction in parking would require approval of a variance from the City’s development standards, which the City does not have the ability to require; hence making this alternative infeasible within the regulatory framework under which the project is proposed.

For more detailed summary of the alternatives considered but rejected for analysis in the Draft EIR, please review the Draft EIR Chapter 7: Alternatives.

The Draft EIR includes discussion and analysis of the following alternatives:

1. **No Project Alternative:** Under this alternative, no additional construction would occur at the project site. The project site would remain unaltered, and the existing buildings and its associated parking areas would be maintained under current conditions. The applicant would not construct any new buildings, parking garage, and publicly accessible open space, nor install any new infrastructure.

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<sup>1</sup> The CAPCOA equation is: % VMT Reduction = [(Actual Parking Provision – ITE Parking Generation Rate) / ITE Parking Generation Rate] x 0.5.

2. **Mixed-Use Alternative:** Under this alternative, the proposed project would be developed with 316 rental apartment units within one five-story building, 67 three-story townhome units, and approximately 81,500 square feet of office space and 8,500 square feet of retail space, common open space, and associated parking. The proportion of 1-, 2-, 3-, and 4- bedroom units would remain similar to the proposed project. The parking requirement would however increase and the size of the publicly accessible park would be reduced.

Table 3: Mixed-Use alternative characteristics		
Project component	Mixed-Use project alternative	Proposed project
Apartment	289,223 s.f. (316 rental units)	289,223 s.f.
Townhomes	82,878 s.f. (67 for-sale townhome units)	143,490 s.f.
Office/Commercial	90,000 s.f.	none
Total square footage	462,101 s.f.	476,962 s.f.
Residential FAR	105%	134%
Office/Commercial FAR	25%	n/a
Total floor area ratio	130%	134%

3. **Base-Level Development Alternative:** This alternative would involve reduced development compared to the proposed project and would not include any bonus-level development. This alternative would include demolition of existing buildings, landscaping, and hardscape on site and construction of a four-story apartment building that would provide 179 residential units with at-grade parking accommodating 206 parking spaces, and 66 three-story residential townhomes with private garages. With less building space, this alternative could potentially allow for a larger open space; however, the open space requirements would be the same as the proposed project.

Table 4: Base-Level development alternative characteristics		
Project component	Base-Level development alternative	Proposed project
Apartment	155,486 s.f. (179 rental units)	289,223 s.f.
Townhomes	81,641 s.f. (66 for-sale townhome units)	143,490 s.f.
Office/Commercial	none	none
Total square footage	197,127 s.f.	476,962 s.f.
Residential floor area ratio	55.52%	134%

Table 7-3 from the Draft EIR (page 7-24) contains a comparison of the impacts of the proposed project to the project alternatives (Attachment H). CEQA requires the EIR to identify what is considered the

environmentally superior alternative, which for the proposed project would be the No Project Alternative. However, CEQA Guidelines Section 15126.6(e)(2) states that when the No Project Alternative is identified as the environmentally superior alternative, the EIR must also identify an environmentally superior alternative from among the other alternatives.

As summarized in Table 7-3, the base level development alternative would result in similar and/or less adverse impacts from construction and operation of the proposed project. The base level development alternative is considered the environmentally superior alternative because it would reduce construction-related air quality impacts, would slightly reduce the potential of uncovering cultural and tribal cultural resources during construction, would generate less noise during construction and operation, and would reduce demands for public services, recreation, and utilities. However, the base level development alternative would not fully achieve the project objectives to provide a sufficient density and intensity of housing on the site in order to achieve a better job/housing ratio; would provide fewer affordable housing units than the proposed project, both in terms of absolute numbers of units as well as percentage of affordable units relative to the total development; and would be less effective at helping to reduce overall vehicle miles travelled (VMT) because it would provide fewer residential units close to a job center.

### Next steps

As previously mentioned, the comment period on the Draft EIR is currently open through Tuesday, January 17, 2023. Once the Draft EIR comment period is completed, the environmental consultant will review and respond to all substantive comments received in what is referred to as a “Response to Comments” document or Final EIR. The Final EIR will be circulated a minimum 10-days prior to the public hearing by the Planning Commission to allow for public review of the responses to comments. The EIR must be certified by the Planning Commission before final action can be taken on the proposed project entitlements. Certification of the Final EIR does not require that the Planning Commission or the City Council to approve the requested land use entitlements.

### **Study session**

Please refer to the earlier Project Overview section of this staff report for a general summary of the proposed project. This portion of the report highlights a variety of topics areas for consideration during the study session. As the Planning Commission reviews the report, staff recommends that the Commission consider the following topics and use them as a guide to ask clarifying questions:

- Site layout, including proposed open space and paseo
- Architectural design for all unit types and requested waivers
- Potential intersection improvements through project-specific conditions
- Below Market Rate (BMR) housing proposal
- Community amenities proposal

The Planning Commission may also wish to discuss additional topics of interest not mentioned above.

### Design standards

The proposed multi-family residential building is designed in a contemporary architectural style, incorporating elements of glass store front for the frontage along Constitution Drive. Lobbies and ancillary uses for the tenants would be located on the first floor. To account for potential flooding and sea level rise (and comply with the City’s Zoning Ordinance requirements), the main lobbies and residential ancillary spaces would be elevated at least 24 inches above the base flood elevation of the site.

The apartment façades would predominantly consist of cement plaster, fiber cement siding, porcelain tile,

and dark colored vinyl windows. The garage on the east side of the multi-family apartment building is proposed to be screened with a vegetated green screen. The stucco portions of the façade are proposed to be smooth troweled and will be limited to 50 percent of the façade area. Balconies and patio areas would be designed with metal and glass railings. Apartments on the first level would be designed with stoops with direct entrances to the apartment units from the paseo or the public street. These units would help to screen the first level garage from the public right-of-way. The apartment units would be made up of 88 studios, 185 one-, and 43 two-bedroom units.

The for-sale townhomes would be located along the southern portion of the site in groups of four to 12 units distributed across 22 building that are separated by pedestrian walkways, driveways, meandering landscaping, and publicly accessible open space. The townhome units are proposed to be designed as three-stories in height, but would have three different architectural styles with similarities like fenestration and roof design and application of materials tying them together. The townhome unit facades would be designed in a varying combination of cement plaster, fiber cement paneling, brick veneer, metal and asphalt shingle roofs, dark vinyl windows, panelized garage doors, and vertical metal railings. Similar to the ground floor apartment unit design, the townhome units would be designed with direct entrances from the paseos or public streets and parking is positioned not to face the public right-of-ways. The for-sale townhome units would consist of 37 two-, 64 three-, and 15 four-bedroom units. The for-sale inclusionary units are designed to be located on a separate parcel within the project site with exterior finishes including cement plaster, fiber cement panels, vinyl windows, panel garage door, metal railings and asphalt singles roof.

#### *Minimum setback and building projections*

On public street-facing facades, buildings in the R-MU-B zoning district are required to step back at least 10 feet for 75 percent of the building on the upper stories above 55 feet in height. The plans submitted by the applicant demonstrate that the project complies with this requirement by pulling the façade of the fifth floor back by 10 feet for more than 75 percent of the building. Staff believes the project as currently proposed to be generally in compliance with this requirement of the Zoning Ordinance.

#### *Major and minor modulations*

The design standards of the R-MU-B district require major and minor modulations on street-and open space-facing facades. For major modulations, the design must include a minimum of one recess of 15 feet wide by 10 feet deep per every 200 feet of facade length from ground level to 45 feet in height. For minor modulations, a minimum recess of five feet wide by five feet deep per 50 feet of facade length is required from ground level to the top of the building. The intent of the required modulations is to provide visual variety, reduce large building volumes, and provide spaces for entryways.

As currently designed both the apartment and townhome buildings would meet the above stated major and minor modulation requirements. For the apartment building, the project proposes to provide major modulation of minimum 30 feet by 10 feet for the façade fronting Constitution Drive, minimum 15 feet by 10 feet fronting the paseo, and minimum 43 feet by minimum 10 feet on the southern façade. Along with major modulations the project design would include several minor modulations pursuant to the above requirements.

Similarly, the project would provide a minimum 15 feet wide and 10 feet deep major modulation on the townhome façade that exceeds 200-foot length fronting Independence Drive and would provide several minor modulations along right-of-ways and paseo pursuant to the above requirements. Staff finds that as currently designed, the project meets the major and minor modulation requirements of the Zoning Ordinance.

### *Ground floor exterior*

The applicant has provided preliminary diagrams indicating compliance with the ground floor transparency requirement, and building and garage entrance location and frequency requirements. Staff believes the project as currently designed would generally meet the ground floor exterior requirements. The ground floor façades occupied with parking garages are not required to meet the transparency requirements. However, the parking garage screens limit the variation of the building façade. The project proposes to develop a living wall and perforated screening of the garage to provide some variation.

### Open space

The proposed project would be required to provide open space equivalent to 25 percent of the project site area and would be required to provide 25 percent of the required open space as publicly accessible open space. The project provides 38 percent or approximately 3.10 acres of the site as open space of which 56 percent or approximately 1.72 acres, is designed as publically accessible open space.

### *Common and private open space*

The project proposes to include an approximately 23,360 square feet landscaped podium courtyard area which includes a pool, club, fitness, lounge, seating, games, and barbeque areas as part of the apartment building common open space. Additionally, the apartment building would incorporate private balconies and terraces totaling approximately 8,486 square feet. The project would therefore include approximately 31,847 square feet of private and common open space within the multifamily apartment building where 31,600 square feet is required.

The project proposes to provide approximately 15,518 square feet of common landscaped areas between townhomes and approximately 12,710 square feet of private open space in form of balconies, decks, and patio areas, totaling approximately 28,228 square feet of common and private open space for the townhomes where 11,600 square feet is required. While collectively, the overall common and private open space complies with the requirements of the zoning district, the Lot C where the BMR units are proposed to be located does not meet the minimum 20 feet by 20 feet common open space requirement. As discussed later in the staff report, the applicant is requesting a waiver under the State Density Bonus Law from this requirement.

### *Publicly accessible open space*

As defined in the Zoning Ordinance, paseos are pedestrian and bicycle paths that provide a number of public access through one or more parcels to public streets and/or other paseos. The project would include a paseo, as required by the general plan and adopted zoning map, which would provide a mid-block pedestrian and bicycle connection between Constitution Drive and Independence Drive. The paseo area will be a minimum of 20 feet in width, with certain locations increasing in width. The paseo provides a 10-foot wide pathway designed in hardscape material, seating including benches and pedestrian level lighting provided at a minimum interval of 100 feet, appropriate landscaping along the edge of the paseo to the property lines and adjoining buildings, trees with a canopy of 25 feet planted at 40-foot intervals, and lighting at 40-foot intervals. The paseo which is part of the publically accessible open space is approximately 15,367 square feet. The Planning Commission may wish to consider the proposed paseo features and provide feedback on the current design. In addition to the paseo, the applicant is proposing to provide a publically accessible private park complete with bike repair station, native plant garden, soft surface with play equipment, wooden decks, rain-garden, and seating areas.

### *Trees and landscaping*

The project is proposing to remove 85 trees in the existing parking and landscape areas, out of which 29 trees are considered heritage-size trees. The heritage tree replacements would be required to meet the

City's Heritage Tree Replacement Procedures guidelines in place at the time the SB 330 application was filed for the proposed project (January 29, 2020). Those guidelines require a 2:1 replacement ratio for multifamily projects. The proposed project is not subject to the City's heritage tree ordinance that took effect on July 1, 2020, which modified the criteria for granting tree removals and created an appraised valuation for heritage tree removals and replacements. The applicant will be required to plant a minimum of 58 trees as heritage tree replacements to meet the City's requirement as explained above. The project is currently proposing to plant approximately 203 24-inch to 36-inch box trees as part of the development along with native draught tolerant shrubs and other landscaping. The proposed trees include bloodgood japanese maple, california buckeye, hercules aloe, western redbud, columnar ginkgo, shademaster honeylocust, jacaranda tree, chinese flame tree, crape myrtle, catalina ironwood, pink melaleuca, london plane, fern podocarpus, coast live oak, little leaf linden, morton/accolade elm, everygreen elm, and Mexican fan palm.

### *Summary*

With regards to the overall project design/style, open space, and the application of R-MU-B zoning district standards, staff believes that the project would generally comply with the design standards required by the Zoning Ordinance. Staff will continue to evaluate the proposed project to ensure compliance as more detailed plans are prepared and any modifications are made. The Planning Commission may wish to provide additional feedback on the proposed building design and site layout before the project advances further.

### Green and sustainable building regulations

In the R-MU zoning district, projects are required to meet green and sustainable building regulations. Accordingly, the proposed building would:

- Meet 100 percent of its energy demand through any combination of on-site energy generation, purchase of 100 percent renewable electricity, and/or purchase of certified renewable energy credits;
- Offset use of any nonrenewable energy used on site;
- Be designed to meet LEED (Leadership in Energy and Environmental Design) Gold BD+C (Building Design + Construction);
- Comply with the electric vehicle (EV) charger requirements adopted by the City Council in November 2018;
- Meet water use efficiency requirements;
- Locate the proposed building 24 inches above the Federal Emergency Management Agency (FEMA) base flood elevation (BFE) to account for sea level rise;
- Plan for waste management during the demolition, construction, and occupancy phases of the project (including the preparation of the required zero waste plans); and
- Incorporate bird friendly design in the placement of the building, and use bird friendly exterior glazing and lighting controls.

In addition, the project would be required to use electricity as the only source of energy for all appliances used for space heating, water heating, cooking, and other activities, consistent with the City's reach code ordinance approved in September 2019. The apartment building roof is designed to receive photovoltaic panels in the future. The reach codes went into effect beginning January 1, 2020. Further details regarding how the proposed building would meet the green and sustainable building requirements would be provided as part of the building plan check submittal.

### Emergency Generator

The applicant has indicated that the proposed project would include a back-up diesel generator for the apartment building. Generator testing would be limited to Monday through Friday between 8:00 a.m. and

6:00 p.m. and would comply with the noise ordinance limitations of the Menlo Park Municipal Code. A use permit for the storage and use of diesel fuel associated with the emergency generator is currently under review by the City as part of the proposed project review.

#### Level of service or roadway congestion analysis (non-CEQA transportation analysis)

LOS is no longer a CEQA threshold of significance; however, the City's Transportation Impact Analysis (TIA) Guidelines require that the TIA also analyzes LOS for planning purposes. The LOS analysis determines whether the project traffic would cause an intersection LOS to be potentially noncompliant with local policy if it degrades the LOS operational level or increases delay under near term and cumulative conditions beyond acceptable thresholds. The LOS and delay thresholds vary depending on the street classifications as well as whether the intersection is on a state route. Attachment I includes an excerpt from the Transportation chapter of the Draft EIR that further explains the LOS thresholds and the identified deficiencies and recommended improvement measures to comply with the TIA Guidelines. Where deficiencies are identified, the TIA Guidelines require consideration of improvement measures.

#### *Near-term (2025) plus project conditions*

Staff is currently evaluating the recommended improvement measures and will provide a more detailed analysis of which measures staff believes are feasible and which are infeasible for the Planning Commission's consideration of the entitlements and certification of the Final EIR. Potentially feasible improvement measures were identified for the following intersections:

- #1 Marsh Road/Bayfront Expressway (signal phasing improvements)
- #9 Chrysler Drive/Constitution Drive (roadway improvements)
- #10 Chrysler Drive/Jefferson Drive – East Driveway (install traffic signal)
- #11 Chrysler Drive/Independence Drive (install traffic signal)
- #14 Willow Road/Bayfront Expressway (roadway improvements)

#### *Cumulative (2040) plus project conditions*

The proposed project would cause one additional intersections to be potentially non-compliant with respect to local policies during either the a.m. or p.m. peak hours under cumulative plus project conditions compared to near-term plus project conditions. Potentially feasible improvement measures for the additional five intersections were identified as follows:

- #1 Marsh Road/Bayfront Expressway (signal phasing improvements)
- #9 Chrysler Drive/Constitution Drive (roadway improvements)
- #10 Chrysler Drive/Jefferson Drive - East Driveway (install traffic signal)
- #11 Chrysler Drive/Independence Drive (install traffic signal)
- #13 Chilco Street/Constitution Drive (roadway and signal phasing improvements, project's fair-share contribution is approximately 0.54 percent)
- #14 Willow Road/Bayfront Expressway (roadway improvements)

For intersections operating below the delay thresholds in both near term and cumulative scenarios, implementation of the near term improvements would bring the intersection in compliance also in the cumulative scenario. Attachment J includes a table outlining the potential improvements for intersections exceeding the LOS thresholds for Near Term and Cumulative Plus Project conditions along with staff's preliminary feasibility determination.

#### Below market rate (BMR) ordinance



Projects in the R-MU-B zoning district are required to design and construct the required inclusionary affordable housing on-site as part of the project. The City’s BMR Housing Program requires 15 percent of the proposed dwelling units be set aside for low-income households or an equivalent alternative. The proposed project reduces the commercial square footage on the site by approximately 103,000 square feet and based on the existing use of the building as offices, since there is no commercial component proposed, the project would not require the payment of a commercial in-lieu fee or provision of commercial linkage BMR units.

The BMR Guidelines assess the project’s BMR requirement on the entire project and not by housing product type (for-sale or rental), with the exception that the BMR units must be evenly distributed throughout the project and the unit sizes/bedroom counts must be based on similar percentages of the unit sizes/bedroom counts within the proposed project. The proposed project is required to provide 15 percent of the total number of proposed units as BMR units, which for a project of 432 units equates to 65 units. The applicant proposes to provide a total of 66 BMR housing units, which allows for a minimum of 15 percent of both the rental apartment and for-sale townhomes units to be BMR units by rounding up the partial units in each housing type. The project would provide 15 percent of housing units in both product types as inclusionary units affordable to low-income households. This breakdown would mean that out of 66 total inclusionary units, 48 units would be rental apartment units and the remaining 18 units would be for-sale townhomes.

Additionally, as further discussed below, the project is proposing to provide eight additional inclusionary units to fulfill their community amenities obligation. These additional BMR units are proposed to be rental units; therefore, the project proposes a total of 56 BMR rental units. The project proposes to provide these additional inclusionary units affordable to low-income households.

Table 5 provides the total breakdown of unit type and size of the inclusionary units for both apartment and townhome components of the project.

<b>Ownership Type</b>	<b>Unit Type</b>	<b>Average Size</b>	<b>Total number of BMR units</b>
<b>Rental*</b>	Studio	542 sq. ft.	16
<b>Rental*</b>	One Bedroom	720 sq. ft.	33
<b>Rental</b>	Two Bedroom	1,006 sq. ft.	7
<b>For-sale</b>	Two Bedroom	958 sq. ft.	3
<b>For-sale**</b>	Four Bedroom	1,165 sq.ft.	15
<b>Total BMR Units</b>			<b>74</b>

\* Includes additional inclusionary units to fulfill the community amenities requirements of the project

\*\*Includes three four-bedroom units that are mobility compliant.

The project proposes to evenly distribute the rental units throughout the project and design them to be indistinguishable from the market-rate rental units. However, the for-sale inclusionary units are clustered on one parcel within the project and the applicant is requesting concessions and waivers pursuant to the State Density Bonus Law that would allow the developer to collaborate with Humanity Greater San Francisco (HGSF) to provide the for-sale inclusionary units as discussed further below in the report. The applicant’s draft BMR proposal along with the request for concessions and waivers and project specific alternatives to

the City's Guidelines is included in Attachment K.

#### Requested concessions and waivers

Because the project is proposing to provide 74 low-income inclusionary units which equals 17 percent of the project, the project qualifies for two concessions and unlimited waivers pursuant to State Density Bonus Law. Under the State Density Bonus Law, concessions are defined as a reduction in site development standards or modification of zoning code requirements that result in actual, identifiable cost reductions, and waivers are modifications to development standard that would physically preclude the construction of the project with its permitted density and concessions. The project requests the following concessions and waivers:

*Concession #1: Clustered affordable for-sale townhome units.* The City's BMR Guidelines currently require that the affordable units be distributed throughout the development. The applicant is requesting a concession from this requirement as applied to the townhome portion of the project, citing that enforcement of this requirement would preclude them from partnering with Habitat for Humanity Greater San Francisco Bay Area (Habitat for Humanity) to provide affordable ownership units on-site. Allowing the concession would permit the affordable housing developer to construct 100 percent affordable units (18 townhomes) on a separate parcel and leverage certain financing that would otherwise be unavailable if the units were on the same parcel as the market rate units. Therefore, the applicant requests the above concession from the BMR Guidelines to allow the development of for-sale units to be developed on one parcel (Lot C) rather than being distributed throughout the market-rate townhome development. This concession would only apply to the for-sale townhome units and not to the affordable rental units which are proposed to be evenly distributed throughout the project.

*Concession #2: Different construction schedule.* The City's Zoning Ordinance requires that the affordable units be constructed concurrently with the market rate units. The applicant is requesting a concession from this requirement to allow for the affordable units to be developed on a delayed schedule. Habitat for Humanity relies on (i) a volunteer labor and "sweat equity" model whereby the future owners of homes provide some labor and (ii) donated goods and materials. Both volunteer labor and donated materials result in cost savings for the project to provide affordable housing, but they lead to a less predictable timeline than traditional construction methods and procurement practices. Therefore, the developer has requested to decouple the delivery of the for-sale BMR units from the market rate units.

*Waiver #1: Equal design.* The applicant is requesting a waiver from City's Municipal Code Section 16.97.100 and BMR Guidelines Section 5.2 which require the affordable units be constructed so that the inclusionary units are of equal design and quality as the market rate units. This standard includes, but is not limited to, exteriors, such as architectural elevations; floor plans; interior finishes; and amenities. The applicant is requesting a waiver from this requirement citing that the affordable townhomes would be different from the market-rate units in the following aspects:

- Smaller average unit size, resulting in different interior layout, with fewer bathrooms and smaller living rooms, but an increase in bedrooms from the market-rate units of similar size;
- Less parking;
- Smaller windows;
- Different exterior finishes and massing;
- Fewer balconies; and
- Different interior finishes, lighting, and appliances.

The applicant notes that these modifications would allow the project to be constructed at the allowable densities without loss of affordable units. The applicant also notes that the variations in design and finishes are requested for purposes of simplification of the design for ease of construction by volunteer labor and that the finishes would vary based on the types of donations received by the affordable housing developer at the time of construction. The applicant is proposing to partner with Habitat for Humanity to develop and sell the below market rate townhome units, therefore, the requested concessions and waivers are required to support this unique Habitat for Humanity development model.

#### *Waiver #2: Common open space*

The applicant requests a waiver from the City's Municipal Code Section 16.45.120(4)(c)(iii) which requires that parcels with 10 to 15 units shall provide a minimum common open space of 400 square feet with the minimum dimensions of 20 feet by 20 feet. The proposal includes a common open space of 400 square feet for the parcel (Lot C), however, the size of the common open space does not meet the required 20 feet by 20 feet dimension. The applicant notes that they are unable to fully meet the requirement because the project cannot fit the required affordable housing units as designed at the density allowed and provide the required size of open space without losing affordable units.

#### Alternatives to the BMR Guidelines

Section 13 of the City's BMR Guidelines allows applicants to request that the City Council approve modifications to the BMR Guidelines as long as findings can be made that the alternative proposal is commensurate with the applicable requirements outlined in the City's BMR Guidelines. Accordingly, the applicant and Habitat for Humanity requests the following modifications to the City's BMR Guidelines:

- Section 5.5: requires that affordable units have a right of first refusal in favor of the City. Habitat for Humanity requests first refusal, with the City in second position to allow Habitat for Humanity to resell properties to second generation affordable homeowners and maintain a 99-year deed restriction on all homes sold. Allowing this change would allow the affordable units to continue to be part of the City's affordable housing stock.
- Section 7.1: requires all members of the applicant household to be first time homebuyers. Habitat for Humanity requests that the City allow only those on the title to be required to be first time homebuyers, allowing multigenerational households to become eligible.
- Section 7.1.1: makes an exception to the first-time homebuyer preference for households that already own BMR units: Habitat for Humanity requests that the City waive this exception to provide ownership opportunity to buyers who do not already own homes.
- Section 7.2: requires only households that have completed the education requirements to be invited to apply when units are become available and outlines detailed requirements about the education provider and content of such programs. Habitat for Humanity program requires homeownership education during the "sweat equity" phase of its homebuyer process, which follows the application period and the initial selection of homebuyers' candidates and this happens as part of the 500-hour sweat equity requirement that occurs during unit construction. This programmatic need requires Habitat for Humanity to identify households for its units before the units are available. Habitat for Humanity proposes to work with the City to establishing a requirement that interested applicants attend a 90-minute information session prior to applying, where information on homeownership and program requirements are thoroughly reviewed.
- Section 7.4: provides a list of assets and how they count towards income limits for the purchasers of affordable units. Habitat for Humanity requests to qualify only those households that have non-

retirement assets that do not exceed the purchase price of the BMR unit. Habitat for Humanity's model asset tests require liquid assets over \$60,000 to be assessed at 10% of their value and added to annual income. Habitat for Humanity submits that modification of the guideline as proposed would allow access to the BMR units only to those households that truly need them, by allowing households with lower incomes to count a small percent of other assets to show that they qualify for an affordable unit.

- Section 10.2: outlines refinancing options. Habitat for Humanity's model does not allow homeowners to refinance homes or assume second loans. To ensure affordability, Habitat for Humanity offers mortgages to first-time homebuyers with 0% down payment and 0% interest loans and caps homeowner's total housing payment at 30% of their gross household income at the time of sale. Habitat for Humanity's model allows sharing of the property value between the homeowner, who receives their principle plus CPI adjustment at the time of resale, and Habitat for Humanity who uses any realized capital appreciation towards construction of new affordable projects.
- Section 11: outlines detailed process for resale of affordable units, including how the sale price will be set and that the City will retain the realtor for the sale. Habitat for Humanity requests that the City allow use of its standard process for calculating the resale price which is based on the original price plus appreciation at the lower of CPI or 3%. Habitat for Humanity also requires that the new buyers perform sweat equity of 250 hours. Habitat for Humanity's model requires repetition of all the steps performed during the initial sale including marketing, outreach, performing a lottery, and determining eligibility.
- Lastly, Habitat for Humanity would like the City to select Habitat for Humanity Greater San Francisco to be the City's designee or program provider to undertake orientation and other educational meetings, marketing, applicant selection, and title requirements.

Staff is currently reviewing the applicant's BMR proposal, project specific alternatives to the BMR Guidelines and requested concessions and waivers.

#### Community amenities

Bonus level development is allowed in exchange for the provision of community amenities. Community amenities are intended to address identified community needs that result from the effect of the increased development intensity on the surrounding community. As part of the ConnectMenlo process, a list of community amenities was generated based on robust public input and adopted by resolution of the City Council. The Zoning Ordinance identifies several mechanisms for providing amenities, including selecting an amenity from the Council-approved list as part of the proposed project, providing an amenity not on the approved list through a development agreement, or through the payment of an in-lieu fee. The value of the amenity to be provided must equal a minimum of 50 percent of the fair market value of the additional GFA of the bonus level development.

The method for determining the required value of the community amenities begins with an appraisal. The applicant provides, at their expense, an appraisal performed by a licensed appraisal firm consistent with the City's appraisal instructions. The Zoning Ordinance requires the form and content of the appraisal to be approved by the Community Development Director. To provide the Community Development Director with sufficient information to determine if the form and content is adequate, the City commissions a peer review or peer appraisal at the applicant's cost. Once the Community Development Director approves the appraisal based on the peer review or peer appraisal identifying the required community amenity value, the applicant will then provide the City with a proposal identifying the proposed community amenity and providing an explanation of the amenity value. The applicant submitted an appraisal for the City's review (Attachment L). The appraisal provided by the applicant has been peer reviewed by the City's appraiser and the value

determined to be \$3,350,000. The applicant submitted an updated community amenities proposal on December 6, 2022 (Attachment M) which proposes eight inclusionary rental apartment units affordable to low-income households at a value of \$4,200,299 which is \$850,299 above the projected community amenities value per the applicant's appraisal. (These eight units are included in the total 74 BMR units discussed previously in the report.) The applicant estimated the value of the affordable units pursuant to the methodology used to determine the value of the affordable units for the approved 111 Independence Drive project. The City will engage its consultant (BAE Urban Economics) to review the community amenities proposal to determine the value of the affordable units given the potential changes in costs/values since 2021. Depending on that analysis the applicant may be required to revise its community amenities proposal.

### Major subdivision

The applicant is requesting a major subdivision for the townhome component of the project which would allow the 116 condominium units to be purchased and sold independently. The site currently consists of five parcels bounded by Chrysler, Independence, and Constitution Drives. As part of the project, the applicant is proposing a lot line adjustment that would maintain the five parcels on the site, with the property lines shifted to accommodate the proposed development. One parcel (Lot 1) would consist of the public paseo running north to south across the project site. Three other parcels (Lots B, C, and D) would be three-story townhome communities that would be subdivided via condominium mapping. The last parcel (Lot A) would be the five-story apartment building. The City Council would review and take final action on the proposed subdivision following a recommendation by the Planning Commission.

Title 15 of the City's Municipal Code, the Subdivision Ordinance, lists certain required data and statements that must be made as part of a subdivision map to be reviewed by the Planning Commission and City Council. The required data includes defined boundaries of the subdivision; the width, approximate location, and purpose of existing and proposed easements; widths, proposed names, and grade of all streets and other rights-of-way within the subdivision proposed for dedication or not; locations of buildings and structures within the subdivision; locations of trees over six inches in diameter; and other similar requirements.

### Fiscal Impact Analysis

In order to inform the decision makers and the community about the fiscal impacts that the proposed project would generate, staff also engaged BAE to prepare a FIA outlining the effects of the proposed project on local expenditures and revenues the proposed project would generate. The FIA is included in Attachment N.

The FIA determined the anticipated net increase in revenue and expenditures and resulting net fiscal impact of the proposed for the following:

1. City of Menlo Park General Fund,
2. Menlo Park Fire Protection District,
3. School districts that serve the project area, and
4. Other special districts that serve the project site.

The FIA estimates that the proposed project would result in a net negative fiscal impact on the City of Menlo Park annual General Fund operating budget, totaling \$570,500, equal to approximately 0.7 percent of the City's 2022-2023 General Fund operating budget. The proposed project would also generate a net negative fiscal impact to the Menlo Park Fire Protection District, equal to approximately 0.4 percent of the District's 2022-23 General Fund operating budget. For the Sequoia Union High School, the proposed project would generate a net negative fiscal impact of 0.7 percent of the District's 2022-23 Unrestricted General Fund budget and that for the Redwood City School District, the proposed project would have a net negative fiscal impact of 0.2 percent of Redwood City School District's 2022-23 unrestricted General Fund budget.

**Table 6: Selected net fiscal impact findings for the proposed project**

Annual Impact for Proposed Project	City of Menlo Park General Fund	Menlo Park Fire Protection District	Sequoia Union High School District	Redwood City Elementary District
New Revenues	\$501,686	\$408,321	\$472,055	\$689,036
New Expenditure	(\$1,072,139)	(\$657,401)	(\$1,413,433)	(\$865,696)
Net Fiscal Impact	(\$570,453)	(\$249,080)	(\$941,378)	(\$176,659)

The fiscal impacts shown in the above table reflect the impacts of the proposed project itself, irrespective of other changes in the City’s population, workforce, property tax base, and other factors that could impact the City’s budget. The proposed project would not occur in isolation, and therefore other projects that have a net positive impact on the City, as well as other factors that affect the City budget, could potentially counterbalance the negative fiscal impacts of this proposed project. No action on the FIA is required by the Planning Commission, but should be considered by the Planning Commission when evaluating the proposed project.

**Correspondence**

As of the writing of this report, staff has received two comments; one from the Menlo Park Fire Protection District noting that no additional facilities are needed at this time, however, the increase in growth in the area would require additional firefighters and potentially upgrades to Station 77 which serves the area, and another from the Housing Action Coalition expressing support for the proposed project. Both comments are included herein as Attachment O.

The applicant conducted two recent community meetings on November 1, 2022 and November 3, 2022. Staff did not attend the outreach meetings, but have been informed by the applicant that a total of 24 community members attended the meetings and that comments included: interest in the affordable housing and information on qualifying for a unit, concerns with the size of the development, concerns with clustering of the affordable units, and questions regarding overall timing of the project.

**Next steps**

As mentioned previously, at the end of the comment period on Tuesday, January 17, 2023, staff will prepare a “response to comments” document also known as the Final EIR which would provide responses to all substantive comments received on the Draft EIR. The Final EIR would be circulated minimum 10-days prior to the Planning Commission meeting during which the Commission will be required to certify the Final EIR and provide a decision on the requested project entitlements. Prior to circulating the Final EIR, staff will be presenting the project to the Housing Commission to solicit their input on the proposed BMR proposal including, but not limited to, the requested concession and waivers. Staff anticipates releasing the Final EIR and scheduling public hearings in Spring 2023.

**Impact on City Resources**

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

project sponsor is also required to fully cover the cost of work by consultants performing environmental review and additional analyses to evaluate potential impacts of the project.

### **Environmental Review**

A Draft EIR has been prepared for the proposed project. Following the close of the comment period, staff and its consultant will compile the response to comments document, and will consider and respond to substantive comments received on the Draft EIR. Repeat comments may be addressed in Master Responses, and portions of the EIR may be revised in strikethrough (deleted text) and underline (new text) format. Once the responses and revisions are complete, the Final EIR will be released, consisting of the Response to Comments document plus the Draft EIR. The Final EIR will be considered for certification in compliance with CEQA by the Planning Commission prior to the final project actions.

### **Public Notice**

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of publishing a notice in the local newspaper and notification by mail of owners and occupants within a ¼-mile radius of the subject property.

### **Attachments**

- A. Location Map
- B. Hyperlink: Notice of Preparation: <https://beta.menlopark.org/files/sharedassets/public/community-development/documents/september-10-2021-notice-of-preparation.pdf>
- C. Minutes of the September 27, 2021 Planning Commission meeting (excerpt)
- D. Hyperlink: Project Plans including materials and colors board:  
<https://menlopark.gov/files/sharedassets/public/community-development/documents/projects/under-review/123-independence-drive/202210-123-independence-drive-project-plans.pdf>
- E. Previous project milestone and meetings
- F. Hyperlink: Draft EIR: [https://menlopark.gov/files/sharedassets/public/services/community-development/documents/projects/under-review/123-independence-drive/deir/deir\\_full-document.pdf](https://menlopark.gov/files/sharedassets/public/services/community-development/documents/projects/under-review/123-independence-drive/deir/deir_full-document.pdf)
- G. Summary of Draft EIR impacts – Table 1-1 from Draft EIR
- H. Comparison of alternative from Draft EIR (excerpt)
- I. Non-CEQA LOS section from Draft EIR (excerpt)
- J. Potential improvements for intersections exceeding the LOS thresholds for Near-Term and Cumulative Plus Project conditions table
- K. Hyperlink: Draft Below Market Rate (BMR) housing proposal and alternative to BMR Guidelines:  
<https://menlopark.gov/files/sharedassets/public/community-development/documents/projects/under-review/123-independence-drive/123-independence-project-below-market-rate-housing-and-equivalent-alternative.pdf>
- L. Appraisal for bonus level development
- M. Hyperlink: Preliminary community amenities appraisal and proposal:  
<https://menlopark.gov/files/sharedassets/public/community-development/documents/projects/under-review/123-independence-drive/123-independence-project-community-amenities-proposal.pdf>
- N. Fiscal Impact Analysis
- O. Correspondence

Report prepared by:

Payal Bhagat, Contract Planner

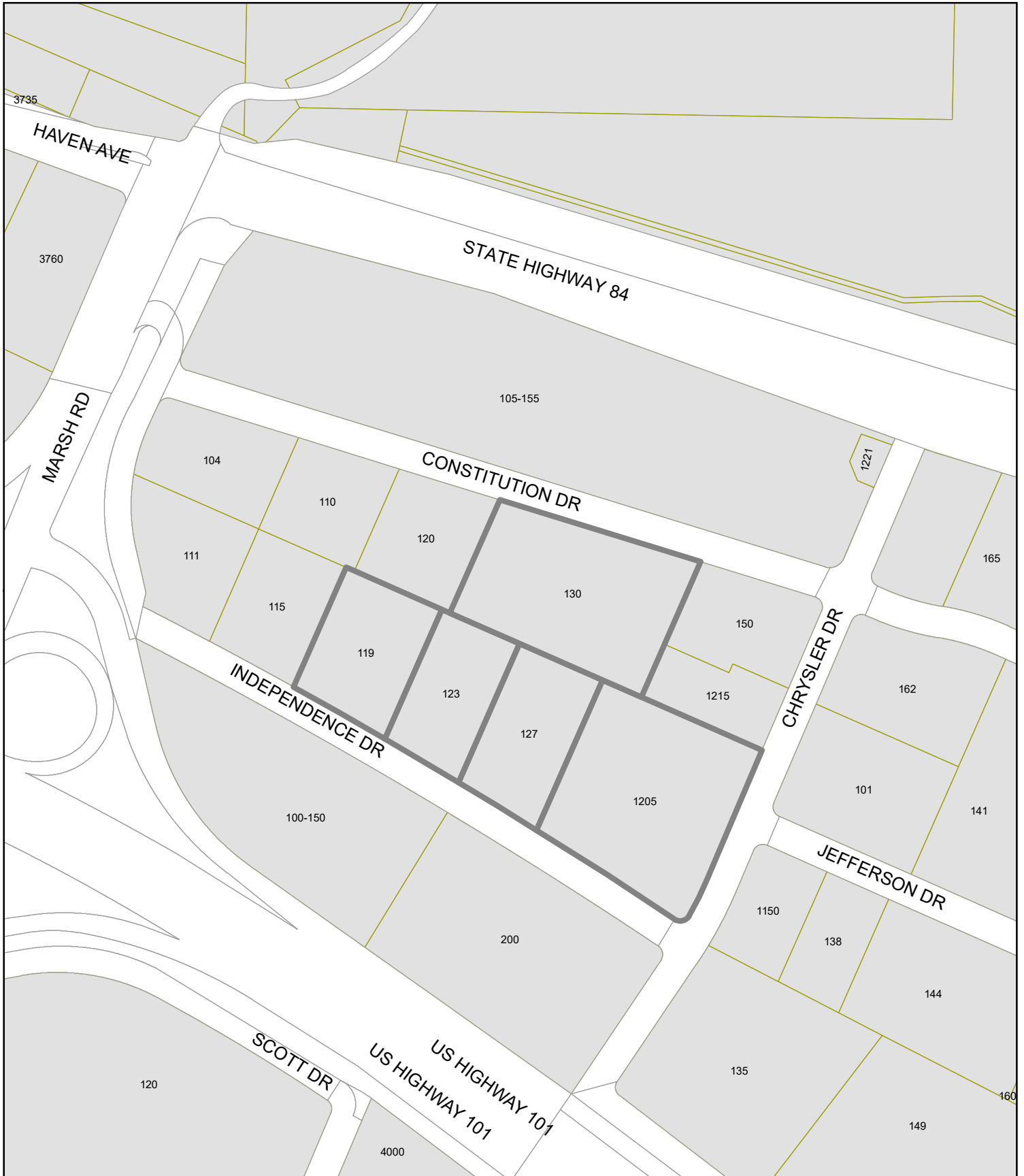
Report reviewed by:

Kyle Perata, Planning Manager

Eric Phillips, Special Counsel

Corinna Sandmeier, Acting Principal Planner





# CITY OF MENLO PARK

## LOCATION MAP

**123 INDEPENDENCE DRIVE PROJECT** DRAWN: TAS  
 CHECKED: KTP DATE: 1/25/21 SCALE: 1" = 300' SHEET: 1





**REGULAR MEETING EXCERPT MINUTES**

**Date:** 09/27/2021

**Time:** 7:00 p.m.

**Meeting Location:** [Zoom.us/join](https://zoom.us/join) – ID# 831 6644 9012

**A. Call To Order**

Chair Michael Doran called the meeting to order at 7:00 p.m.

Associate Planner Matt Pruter provided an overview of process for applicant and public comment on zoom.

**B. Roll Call**

Present: Chris DeCardy (Vice Chair), Michael Doran (Chair), Cynthia Harris, Camille Gonzalez Kennedy, Henry Riggs, Michele Tate

Absent: Andrew Barnes

Staff: Payal Bhagat, Contract Principal Planner; Ori Paz, Associate Planner; Matt Pruter, Associate Planner; Corinna Sandmeier, Senior Planner; Chris Turner, Assistant Planner

**C. Reports and Announcements**

Senior Planner Corinna Sandmeier said the September 28 City Council meeting was cancelled. She said the City Council was seeking residents to apply to serve on the Independent Redistricting Commission.

Replying to Chair Doran about recent state law that would impact zoning, Planner Sandmeier said that staff and the City Attorney were working on that and would provide updates to the Commission as it progressed.

**D. Public Comment**

None

**E. Consent Calendar**

None

**F. Public Hearing**

F3 and G1 are associated items with a single staff report

F3. Environmental Impact Report (EIR) Scoping Session/The Sobrato Organization/119-127 Independence Drive, 1205 Chrysler Drive, and 130 Constitution Drive:

Request for environmental review for a use permit, architectural control, vesting tentative map, below market rate housing agreement, and heritage tree removal permits for a proposed multi-family residential development in the R-MU-B (Residential Mixed Use Bonus) zoning district. The proposed project would consist of a major subdivision for construction of 116 for-sale town homes and a 316-unit rental apartment building, for a total of 432 dwelling units. The townhomes are proposed to be three stories tall with garage parking and the apartment building is proposed to be five stories tall with two levels below and at grade podium parking. The project site currently consists of five existing office and industrial buildings totaling 103,900 square feet that would be demolished. The proposed buildings would contain approximately 476,961 square feet of gross floor area of residential uses with a floor area ratio of 134 percent. The proposed project would utilize bonus level gross floor area (GFA), density, and height in exchange for community amenities. The proposed project would include a below market rate housing agreement that requires a minimum of 15 percent (or 66 units) be affordable and will be required to comply with the city's BMR program. The proposed project includes lot line adjustments and removal of 28 heritage trees. The proposal also includes a use permit request for the storage and use of hazardous materials (diesel fuel) for an emergency backup generator to be incorporated into the proposed project. A Notice of Preparation (NOP) for the proposed project was released on Friday, September 10, 2021. The NOP provides a description of the proposed project, the location of the proposed project and its probable environmental effects. The EIR will address potential physical environmental effects of the proposed project, as outlined in the California Environmental Quality Act (CEQA). An initial study was not completed as it is anticipated this will be a full EIR and no topic areas will be scoped out with the exception of agricultural and forestry resources, mineral resources, and wildfire that are topic areas that are not anticipated to require further analysis. The City is requesting comments on the scope and content of this EIR. The project location does not contain a toxic site pursuant to Section 6596.2 of the Government Code. Comments on the scope and content of the focused EIR are due by 5:00 p.m., Monday, October 11, 2021. ([Staff Report #21-046-PC](#))

Staff summary: The Planning Commission reviewed presentations from staff, the applicant, and the City's environmental review consultant, took public comment, asked questions, and provided feedback.

A transcript of this item will be available along with the meeting minutes. The NOP comments will be considered by staff and the consultant and will be addressed in the Draft EIR.

## **G. Study Session**

- G1. Study Session/The Sobrato Organization/119-127 Independence Drive, 1205 Chrysler Drive, and 130 Constitution Drive:  
Study session on a request for a use permit, architectural control, vesting tentative map, below market rate housing agreement, heritage tree removal permits, and environmental review for a proposed multi-family residential development in the R-MU-B (Residential Mixed Use Bonus) zoning district. The proposed project would consist of a major subdivision for construction of 116 for-sale town homes and a 316-unit rental apartment building, for a total of 432 dwelling units. The townhomes are proposed to be three stories tall with garage parking and the apartment building is proposed to be five stories tall with two levels below and at grade podium parking. The project site currently consists of five existing office and industrial buildings totaling 103,900 square feet that would be demolished. The proposed buildings would contain approximately 476,961 square feet of gross floor area of residential uses with a floor area ratio of 134 percent. The proposed project would utilize bonus level gross floor area (GFA), density, and height in exchange for community amenities. The proposed project would include a below market rate housing agreement that requires a

minimum of 15 percent (or 66 units) be affordable and will be required to comply with the city's BMR program. The proposed project includes lot line adjustments and removal of 28 heritage trees. The proposal also includes a use permit request for the storage and use of hazardous materials (diesel fuel) for an emergency backup generator to be incorporated into the proposed project. ([Staff Report #21-046-PC](#))

Staff Comment: Planner Bhagat asked that the Commission in its discussion consider site and building design, public open space, community amenity and the BMR housing proposals.

Chair Doran opened the public comment period.

Public Comment:

- Pamela Jones, Menlo Park, said she sent in a public comment for the EIR but thought it was appropriate here as well. She said BMR units should be substantially increased and that residents in Belle Haven and other parts of the City who were losing their homes should have first rights to those units.

Chair Doran closed the public comment period.

Commission Comment: Chair Doran asked about the financing of the for-sale BMR units and those being clustered together to secure financing. Mr. Tsai said for any developer, market rate or other, for-sale units were clustered together and sold as individual units. He said if a developer was financing a 100% affordable project, then public funds such as state, county or city even federal funds could be sought and enabled even deeper levels of affordability. He said that could not be achieved for mixed affordability projects.

Chair Doran said the site layout and plan was very appropriate. He said he was glad to see the plan revisions and the office space eliminated in favor of more housing. He said overall the architecture was pleasing and appropriate in the context of the neighborhood. He said the community amenity was up in the air and he would wait to see what was proposed. He said regarding BMR units he thought those should be distributed throughout the project. He said he understood the considerations regarding the financing and keeping the costs of those units as low as possible was an understandable and desirable objective. He said he supported the application as presented.

Commissioner Harris said overall the architecture and massing were attractive. She said she liked the trails through the site and how it connected with the apartment building. She said she liked the oak tree forest area and the meandering paseo through the townhomes. She said she was excited that the townhomes were included in the BMR proposal and also were two and four bedrooms for families to be able to own. She said regarding community amenities that the City was looking at the list. She said she supported additional BMR units, especially for sale townhomes. She said the idea of a bicycle and pedestrian path and a bridge from this area to the community center arose with each large project in this area the Commission saw. She said previously Chair Doran had suggested the Sobrato Organization and its philanthropic group might be interested in contributing toward that. She said she would be interested in what occurred there. She said the BMR units although in the middle were separate and she was not comfortable with that. She said it appeared the housing units for the BMR townhomes were not equal to the market rate ones. She said for example the four-bedroom BMR townhomes were 1200 or 1300 square feet each while the market rate three bedrooms were 1650 to 1830 square feet and with more bathrooms and more parking. She said the BMR policy said that the units should be equally distributed throughout the project and the unit sizes

and bedroom counts should be similar percentages. She said she was concerned with the separate and unequal housing for the BMR units.

Commissioner Riggs said there was typically a significant BMR waiting list. He asked if displaced Belle Haven residents could get priority for these units. Planner Sandmeier said at least for the required 15% BMR units it would not be possible to prioritize Belle Haven residents. She said those would be for anyone who lived or worked in Menlo Park. She said they could get further clarification about that if it helped. Commissioner Riggs said he thought that would be responsive and he was partially optimistic that could be possible. He said he would echo Chair Doran's comments related to the quality of the site plan, changing the scope from mixed use to residential, and that the architecture was interesting and skillfully done. He said regarding the site plan that everything from the quality massing of the buildings to the attractive paseos and plaza including the street frontage landscaping looked nice. He said the walkways looked well laid out. He said the clustering of the BMRs was appreciated as that would allow the developer to seek even more funding for BMR units. He said the centralized location avoided the marginalizing of the units and occupants. He said the architecture reflected an equal interest in the quality of the facades. He said he was very supportive of the project.

Commissioner DeCardy said he liked where the project had changed with the housing and asked how they got there. Mr. Tsai said within ConnectMenlo there was a very distinct formula to follow in terms of number of units, square footage and overall density. He said they looked at how many units and what sizes could be done that worked out economically. He said this proposal fit their sliding scale number. He said if they had more units, and the square footage changed that the project would no longer be marketable. Chuck Tang said with a sliding scale and the zoning when they went to a wholly residential plan that they wanted to have a diversity of housing types for sale and rental.

Commissioner DeCardy said the site and building design and the proposed use of open space were among the best the Planning Commission had seen. He said regarding community amenity that the best thing was to keep engaging with the community through the course of the project with the focus on Belle Haven residents, particularly those residents getting priced or squeezed out for various reasons to understand the best possible way the community amenity could help address some of those needs. He said regarding the BMR proposal that he valued hearing from the Housing Commission about the mix and types of units across the scale and when appropriate he would like to hear from them. He said he would echo Commissioner Harris' comments. He said he understood about the financing. He asked that they clarify the tradeoff between clustering the BMRs and locating them through the development related to funding.

Commissioner Tate said she did not support the separation of the BMR units from the other units. She said the project looked good.

Staff summary of Commission comment: Planning Commission asked questions of the applicant and staff and made comments to inform future review of the project. Key direction included:

1. Engage in broad outreach to the community;
2. Consider providing additional for-sale BMR units as part of the community amenities proposal;
3. Consider providing a bridge to the community center as part of the community amenities proposal and as a way to mitigate traffic;
4. Clarify why clustering of the for-sale BMR units is necessary; and
5. Consider making the square footage for for-sale BMR units more similar to the market rate units.

CITY OF MENLO PARK  
PLANNING COMMISSION

**CERTIFIED  
TRANSCRIPT**

In re )  
119-127 INDEPENDENCE, )  
DRIVE, 1205 CHRYSLER )  
DRIVE, 130 CONSTITUTION )  
DRIVE, )  
\_\_\_\_\_ )

ENVIRONMENTAL IMPACT REPORT  
SCOPING SESSION  
REPORTER'S TRANSCRIPT OF PROCEEDINGS  
MONDAY, SEPTEMBER 27, 2021  
MENLO PARK CITY COUNCIL CHAMBERS

Reported by: MARK I. BRICKMAN, CSR, RPR, CRG  
License No. 5527

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ATTENDEES

THE PLANNING COMMISSION:

- Michael C. Doran - Chairperson
- Chris DeCardy - Vice Chairperson
- Henry Riggs
- Cynthia Harris
- Camille Kennedy
- Michele Tate

THE CITY STAFF:

- Payal Bhagat - Principal Planner
- Matt Pruter - Associate Planner

SUPPORT CONSULTANT:

- Kaitlin Roberts, Dudek

PROJECT PRESENTERS:

- Peter Tasi
- Chek Tang
- Nick Samuelson

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BE IT REMEMBERED that, pursuant to Notice of the Meeting, and on September 27, 2021, 7:35 PM at the Menlo Park City Council Chambers, 701 Laurel Street, Menlo Park, California, before me, MARK I. BRICKMAN, CSR No. 5527, State of California, there commenced a Planning Commission meeting under the provisions of the City of Menlo Park.

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1	MEETING AGENDA	
2		Page
3	Presentation by Ms. Bhagat	6
4	Public Comments - None	
5	Commission Questions - None	
6	Presentation by Applicant	9
7	Consultant Presentation	23
8	Commission Comments	30
9		
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1       SEPTEMBER 27, 2021               7:35 PM

2                               P R O C E E D I N G S

3                               ---oOo---

4               CHAIR DORAN:   Let's go to the Scoping Session,  
5       item F3.

6               This is the Environmental Impact Report (EIR)  
7       Scoping Session for the Sobrato Organization, 119-127  
8       Independence Drive, 1205 Chrysler Drive and 130  
9       Constitution Drive. Request for environmental review for  
10      a use permit, architectural control, vesting tentative  
11      map for below market rate housing agreement and heritage  
12      tree removal permits for a proposed multi-residential  
13      development in the R-MU-B (Residential Mixed Use Bonus)  
14      zoning district. The proposed project would consist of a  
15      major subdivision for construction of 116 for-sale  
16      townhomes and a 316 unit rental apartment building, for a  
17      total of 432 dwelling units.

18              The townhomes are proposed to be three stories  
19      tall with garage parking and the apartment building is  
20      proposed to be five stories with two levels below and  
21      atgrade podium parking.

22              The project site currently consists of five  
23      existing office and industrial buildings totaling 103,900  
24      square feet that would be demolished. The proposed  
25      buildings would contain approximately 476,961 square feet

1 of gross floor area of residential use with a floor area  
2 ratio of 134 percent.

3 The proposed project would utilize bonus level  
4 gross floor area (GFA), density and height in exchange  
5 for community amenities.

6 The proposed project would include a below  
7 market rate housing agreement that requires a minimum of  
8 fifteen percent of sixty-six units to be affordable and  
9 will be required to comply with the City's BMR program.

10 The proposed project includes lot line  
11 adjustments and removal of twenty-eight heritage trees.  
12 The proposal also includes a Use Permit request for the  
13 storage and use of hazardous materials, diesel fuel, for  
14 an emergency backup generator to be incorporated into the  
15 proposed project.

16 A Notice of Preparation (NOP) for the proposed  
17 project was released on Friday September 10th, 2021. The  
18 NOP provides a description of the proposed project, the  
19 location of the proposed project and its probable  
20 environmental effects.

21 The EIR will address potential physical  
22 environmental effects of the proposed project, as  
23 outlined in the California Environmental Quality Act  
24 (CEQA).

25 An initial study was not completed as it is

1 anticipated this will be a full EIR and no topic areas  
2 will be scoped out with the exception of agricultural and  
3 forestry resources, minimal resources, wildfire and the  
4 topic areas that are not anticipated to require further  
5 analysis.

6 The City is requesting comments on the scoping  
7 content in this EIR. The proposed location does not  
8 contain a toxic site pursuant to Section 6506.2 of the  
9 Government Code.

10 Comments on the scoping context of the focused  
11 EIR are due by 5:00 PM Monday, October 11th, 2021.

12 I believe we have a staff report from Mr.  
13 Bhagat. Is he here with us tonight? Oh, Ms. Bhagat.  
14 I'm sorry.

15 MS. BHAGAT: Sure. Good evening. I'm just  
16 waiting for Juan to bring it up for the commissioners.  
17 People just give me a moment while I control the slides.  
18 Here we go.

19 Good evening, Chair, members of the Commission  
20 and members of the public. As Chair Doran mentioned, the  
21 project this evening is the review of scope of works to  
22 be included in the Environmental Impact Report and the  
23 Study Session for the redevelopment of the five parcels  
24 with 316 unit apartment building and 116 for-sale  
25 townhomes.

1           The project site is 8.15 acres and it's located  
2     in the Bayfront area north of Highway 101 and east of  
3     Marsh Road. This project site sits east of the recently  
4     approved Menlo Portal project.

5           As previously mentioned, the purpose of this  
6     meeting is not to begin action, but to review the Notice  
7     of Preparation prepared by staff and to provide comments  
8     for the Environmental Impact Report for this project.

9           This project was previously reviewed by the  
10    Planning Commission on January 25th, but at that time  
11    this project was a mixed use project and had an office  
12    element to it.

13          The applicant has since then revised the  
14    project to make it residential and therefore staff has  
15    been advised.

16          As mentioned, the notice -- the NOP public  
17    comment period ends October 11th at 5:00 PM.

18          Staff would also like to do a Study Session to  
19    review the various design components and other components  
20    of the project. Details of that will be discussed in --  
21    after the Study Session component of the project is  
22    accomplished.

23          As par of this we have two elements. Staff has  
24    prepared a recommended format. Staff recommends we do  
25    the public hearing for the EIR Scoping Session first.

1           Following my presentation, staff would  
2     recommend that you invite the applicants to make  
3     presentation and give an overview of the project,  
4     following which the EIR consultant, which in this case is  
5     Dudek, will come and give you the overview of the CEQA  
6     process, then the EIR process and what is the future  
7     timing for this project.

8           Following which we recommend that you open up  
9     and solicit public coment on the EIR Scoping Session and  
10    then conclude the meeting with questions and Commissioner  
11    comments.

12           For the Study Session, staff would like to make  
13    a brief introduction and we request that you open up the  
14    comments -- public comments on the design of the project  
15    and then that we'll conclude the meeting providing your  
16    own comments.

17           This concludes my brief introduction and I'm of  
18    course available to answer any questions that you might  
19    have as we go through the project.

20           And with this, I will turn the meeting over to  
21    the chair.

22           Thank you.

23           THE COURT:    Thank you.

24           Does anyone have clarifying questions for Miss  
25    Bhagat now before we go to the applicant's presentation?

1           Okay. I'm not seeing any, so if the applicant  
2 would like to make their presentation now.

3           MR. TSAI:     That would be great. Give us one  
4 second to load it up.

5           CHAIR DORAN:   Okay.

6           MR. TSAI:     Sorry. I didn't know if I was  
7 sharing my screen. I just thought we were controlling  
8 the screen. I can share mine.

9           CHAIR DORAN:   Yes, whatever you'd like.

10          MR. TSAI:     Sorry. Sorry for the delay.

11          All right. Good evening. Everyone. Chair  
12 Doran, Vice-chair Decardy, Commissioners, staff and Menlo  
13 Park residents. Thank you for giving us the opportunity  
14 to re-present 123 Independence.

15          I am Peter Tsai from the Sobrato organization  
16 and I'm joined tonight by Chek Tang from T-SQ Squared and  
17 Nick Samuelson from the Guzzardo Partnership.

18          For those of you who are unfamiliar with  
19 Sobrato, we are a local family owned organization that  
20 has been part of the Bay Area since the 1950s.

21          The organization consists of three divisions,  
22 Sobrato Capital, Sobrato Philanthropies and Sobrato Real  
23 Estate. The ethos of the organization is making a the  
24 Bay Area a place of opportunity for all, and this is  
25 shown through its philathropic ventures as well as its

1 approach towards real estate.

2 Back on January 25th at the Planning Commission  
3 meeting, we highlighted our commitment to community  
4 outreach. As long-term holders of real estate, it is  
5 important for Sobrato to understand the community we  
6 develop in.

7 Since the January 25th meeting, Sobrato's  
8 continued its outreach to a diverse group of Menlo Park  
9 and Belle Haven stakeholders to solicit feedback on the  
10 project.

11 The resounding feedback we received from those  
12 in the community as well as this Planning Commission was  
13 the need for more housing and in particular more  
14 ownership units.

15 Sobrato took that comment to heart and directed  
16 our team to remove the office building and add more for-  
17 sale housing.

18 The result is an all residential 432 unit  
19 project with a public gath -- with public gathering  
20 sections, walkable green connections and paseos and a  
21 genuine neighborhood feel.

22 To orient you, lot A at the top of the page is  
23 a 316 apartment complex. Moving counterclockwise, lot B  
24 is 26 townhome units, lot C is 18 townhome unites and lot  
25 D is 72 townhome units.

1           The apartments are a mix of studio ones and  
2 twos while the townhomes are two to four bedrooms.

3           As currently conceived, all the affordable  
4 townhomes are located in lot C. Sobrato plans to either  
5 develop the affordable townhomes through Sobrato  
6 Philanthropies or partner with a non-profit for-sale  
7 housing developer such as Habitat for Humanity to deliver  
8 those housing units.

9           By concentrating the affordable units together  
10 on one parcel, that component of the project can utilize  
11 additional funding sources with the goal of achieving  
12 deeper levels of affordability.

13           You will also notice that lot C is prominently  
14 placed along Independence Drive and has great frontage  
15 along the central open space of the project.

16           I will now be turning the presentation over to  
17 Chek Tang who will guide you through a quick  
18 slide-through of the project.

19           Chek?

20           MR. TANG: Thank you, Peter.

21           I would attempt to do a very quick tour of the  
22 project. To start, starting from Independence Drive on  
23 the south side of the project taking a stroll through the  
24 paseo going forth going through essentially the townhome  
25 district adjacent to the park and fronting on



1 Independence going -- arriving at the Menlo Park  
2 Community Park, continuing on the paseo which becomes a  
3 linkage to the existing project as well as future  
4 projects.

5           The presence of the apartment building on  
6 Constitution is much more commercial and of larger scale.  
7 Coming through the Central Park, which is kind of the  
8 outdoor living room of this district, is organized to  
9 also tie into a green belt that threads to the various  
10 neighborhood of the townhome community creating the  
11 pedestrian friendly experience.

12           And we also heard from the previous Planning  
13 Commission Study Session that we want to create a much  
14 more interesting residential scale on the townhome side  
15 and complement to the apartments.

16           During the design intent to really meet the --  
17 and to be compliant with the Connect Menlo, the RU zoning  
18 district.

19           With that, I'll go back to Power Point.

20           As Peter has mentioned that -- this is our  
21 previous plan with the office building. Now that we're  
22 going to an all residential component, it really kind of  
23 creates some opportunity for us to plan even more.

24           Previously the -- the office building kind  
25 of cut off the residential circulation, pedestrian

1 circulation within the site over to Chrysler, and also  
2 the paseo, the way it was designed, it is straight kind  
3 of shot through from Independence to Constitution, but  
4 nevertheless the community space becomes a transit  
5 corridor space.

6 And then also again as mentioned, we also  
7 improved on the residential character on the townhomes by  
8 creating various districts in this new plan.

9 So with this new plan, one of the things that's  
10 really, you know, a great addition also is the  
11 circulation.

12 We eventually allowed the access point now on  
13 Chrysler to be now aligned with Jeff -- I think it's  
14 Jeffrey Drive that has now allowing us vehicular all  
15 turning radius in all directions in and out of the  
16 project.

17 In addition to that, as you can see, the -- the  
18 alignment of the paseo is still visually all the way from  
19 Independence to Constitution.

20 However, the community part is now much more  
21 defined as part of the public open space, necessarily  
22 part of the path and more defined community park.

23 And then also is a result of -- eliminating the  
24 office, we were able to create green belt connection  
25 throughout the -- the townhome portion of the project

1 which creates lot better connections besides the street  
2 frontage on all sides.

3 And then not -- not the least of it is also the  
4 idea of having -- creating a little bit of a crack in the  
5 apartment building that allows for the pub -- the amenity  
6 areas up in the podium level now to connect to the park.  
7 So in essence the apartments also front the park and  
8 sharing it with the rest of the district.

9 And then in terms of the affordable housing,  
10 one of the things that you may want to do is integrate  
11 affordable housing to townhome lot C area really as  
12 almost a feature of the district in -- in a way that it  
13 addresses street the same way as any market rate units,  
14 it addresses the park and the presence of the park  
15 equally well with the rest of the project in addition to  
16 all -- all of the affordable rental units in lot A.

17 With that, we also have taken a shot at the  
18 elevations. We'd really appreciate -- I'm sorry. This  
19 is basically a zoning sigh gram to that -- next page.

20 So this is a zoning diagram that talks about  
21 massing bulk. It really has not changed since the last  
22 time we spoke on the project.

23 As you can see, we have a mix of housing types,  
24 townhomes as well as apartments. You can see later that  
25 we have actually married the architectural expression of

1 the townhomes and made improvement to the apartments, as  
2 well.

3 In terms of variation heights, we are two and  
4 three stories, kind of articulations of the townhomes on  
5 36 in height. The apartments are five story. In this  
6 case actually because of kind of future for FEMA, so the  
7 garage was actually one that was subterranean with the  
8 transition from street up to the actual finished grade  
9 and we're doing some creative things to make those not  
10 feel like a grade separation, but really a better feel.

11 Open space amenities as mentioned, the heart of  
12 the community is a comm -- a neighborhood park and also  
13 the through paseo from Independence to Constitution along  
14 with a series of open spaces within the townhome project  
15 and obviously the gardens -- podium gardens on the  
16 answer.

17 In terms of architecture, we also received some  
18 really constructive feedback from staff. It's our intent  
19 to be compliant with Connect Menlo and the R-M-U design  
20 guideline.

21 This is our previous submittal where the  
22 critique was that the larger frames did not meet some of  
23 the -- the minor articulation of the building.

24 In addition to some of these very consistent  
25 roof line that was mentioned and then maybe some of the

1 contrast in the areas that resets in addition to some  
2 comments on material.

3 So in a new design that we have worked with the  
4 recommendation from staff, looking intently at the -- the  
5 compliance of the R-MU zone, by creating much more clear  
6 articulat, vertical articulations as prescribed in zoning  
7 to create this major end line articulations in closing.

8 In addition to that, the other thing that we've  
9 done is creating a much clearer base, middle and top as  
10 also called with the upper story recess as called for in  
11 the zoning ordinance.

12 Another thing that we're also refining is some  
13 material given that we know there's requirement for lower  
14 use of plaster, we actually minimizing the exterior  
15 plaster which are smoother plaster on some of the darker  
16 elements and the upper floor elements and some of the  
17 frame elements actually.

18 Next, please.

19 And the townhomes where we received probably  
20 the most commentary is that we were trying to make it  
21 tying into the apartments, as our previous design, and  
22 the commentary was to make this more residential kind of  
23 feel and -- and kind of massing.

24 And so in our new project design that we're  
25 proposing essentially kind of a -- the kind of

1 composition of three different architectural styles,  
2 because now that we have a much larger townhome project,  
3 one of which is kind of a brick, kind of a contemporary  
4 brick building that has a more contemporary roof line,  
5 but it's nevertheless a very playful roof line.

6 Another one that has a look back to the  
7 character of the apartment project, but more contemporary  
8 and also a very interesting roof lining, as well.

9 And then the -- the lower left one is actually  
10 the architecture of the affordable housing is we want to  
11 keep it simple and clean, but also becomes a really good  
12 counterpoint to the market rate housing.

13 The notion of all these project is the  
14 architectural really does not vary regardless of the uses  
15 or the type.

16 So you can see we have combination of brick  
17 veneer. There are some rain screen material, a hardy  
18 siding material as well as plaster material. The  
19 combination of those work in concert with each other  
20 throughout the site.

21 With that I'm going to turn it over to Nick  
22 Samuelson of the Guzzardo Partnership, our landscape  
23 architect.

24 MR. SAMUELSON: Hi. I'm Nick Samuelson with  
25 the Guzzardo Partnership. Nice to be here with you

1 talking about this today.

2 Looking at the landscape design, an important  
3 element for us was connecting all these open space  
4 amenities throughout the site with the different paseos  
5 and the walkways and the vehicular circulation that we  
6 had to have here.

7 Running north to south, we have the Connect  
8 Menlo Park Trail. We'll be going through the site,  
9 looking at how we're going to integrate that in there,  
10 and then going east to west, we have an additional paseo  
11 that cuts through the townhomes.

12 And wrapping around the west side and the south  
13 side of the apartments is a fire access lane, twenty-six  
14 feet wide. That's near the apartment buildings.

15 We're going to integrate that in there, and  
16 then going east to west, we have the additional paseo  
17 that cuts through the townhomes.

18 It's part of -- this is a vehicular area for  
19 fire trucks, but it's a pedestrian zone mainly in our  
20 minds.

21 So looking at that and -- and other important  
22 functions of the site, storm water treatment, our  
23 integration with the surrounding community with the  
24 stoops that we'll be doing around the -- all the streets,  
25 all the -- all of the units have a direct access out and

1 on to there, and part of what's happening on the site,  
2 we're required to raise the site five feet to meet the  
3 FEMA flood requirements, and that provides some  
4 challenges and also some opportunities.

5 I would say it's an opportunity with these  
6 stoops, gets some eyes out on the street there, and it  
7 provides a nice entry into the paseo.

8 It does present the problem where all of the  
9 trees on the site have to be removed just because of the  
10 way the topography is going to work on the site now. So  
11 we are looking at replacing the trees.

12 We have twenty-eight heritage trees. We also  
13 have -- I think it's fifty-seven non-heritage trees that  
14 we'll be removing as part of that.

15 But we are putting in 351 new trees. A lot of  
16 them are larger canopy trees and native oaks will be a  
17 part of it and various sizes from twenty-four inch fox to  
18 forty-eight to sixty inch fo trees that we're integrating  
19 inches of design.

20 Can we go to the next slide?

21 So as Chek says, the heart of the site really  
22 is this central open space. And then we're looking at  
23 story and through it. We have the Connect Menlo Park  
24 Trail. It's the ten foot wide pathway that goes through  
25 there, trying to keep that pretty open through there and



1 it meandering through so has some interest to it.

2           So if you're starting down on Independence, I  
3 it's picking up the five foot grade changes there through  
4 a series of terraced spaces that we'd have. We'd have  
5 the different materials, decks and lawn areas that go  
6 through there, another path that zigzags through and it.

7           And as you level out at the top, there's a  
8 large plaza space right there. It's actually also a fire  
9 access that's required to get through the site right  
10 there.

11           And as you step past that, you enter into a  
12 rain garden, which is doing a lot of the treatment for  
13 the areas around the townhomes, and we took that area as  
14 an opportunity to make some nice garden spaces where you  
15 have deck spaces that meander through it, step zones that  
16 allow you to get fully immersed into that garden area.

17           And after that site path fans out into the  
18 larger open space, and when you're there, there's a  
19 playground space. We have a flexible turf area, and as  
20 the backdrop on the east, there's an oak woodland garden  
21 right over there.

22           So your oak tree's providing a canopy. Of  
23 course on the west side is the Connect Menlo Park Trail.

24           As you go further up, there is the plaza space  
25 there that's - we can switch to the next slide. I can

1 show a little bit more. This -- this fire lane paseo  
2 diagram here.

3 So still a part of the open space here, but is  
4 the fire lane. So we took that as opportunity to make a  
5 nice plaza space that fronts this kind of a porch or  
6 front door to the apartment building part there, and this  
7 gives us kind of a seamless connection to some of the  
8 uses that we have in the apartments.

9 There's a lobby area over on the far right and  
10 there's a stairway that leads up to the podium and then  
11 there's some flex uses and various other area -- doors  
12 that kind of front out on to the open space there.

13 Also providing a lot of bike parking areas over  
14 there near the lobby and those flex use areas down to the  
15 park for also putting like a bike service area to be a  
16 part of that.

17 The paseo down on the bottom, that's the one  
18 that's cutting through the townhomes. We wanted to kind  
19 of meander that through there to make that a nice  
20 leisurely walk kind of experience as you go there.

21 The meandering also allows us to have little  
22 nooks along the way that can be little seating areas.  
23 You kind of bump into some rain gardens and just where  
24 intersections happen in the path.

25 Go to the next slide.

1           This is the paseo that goes along the  
2     apartments, so it's kind of the west side of the  
3     apartments and so also the fire lanes will. So it's got  
4     to be twenty-six feet wide of the weatherproof surface.

5           So we have a look at paving opportunities that  
6     we could do in this area. So we kept the ten foot wide  
7     trail going through there and we're looking at breaking  
8     up the rest of the paving with a variety of different  
9     materials, kind of like what we're showing for these  
10    inspiration pictures.

11          We usually pull the different materials over  
12    each other to give variety and richness to the spaces  
13    that we're making and using some of that meandering  
14    pathway ideas that we're using to create little nooks  
15    where you can have seating opportunities along there, as  
16    well.

17          And if you go to the next slide, this is just  
18    kind of showing a nice overview of how the open space  
19    connects through there.

20          So you have down on Independence on the bottom  
21    and the walkway kind of terracing up leading into the  
22    rain gardens, and to the lawn which kind of functions as  
23    the front yard to the apartment buildings connects it all  
24    together right there.

25          With that, thank you for your time and be happy

1 to answer any questions we can.

2 CHAIR DORAN: Okay. If we have any clarifying  
3 questions from the Commission, we can ask them now.  
4 Otherwise, we should go on to the EIR report,  
5 consultant's report and the public comments.

6 I can't see all of the Commission. If the  
7 Commissioners would like to speak. I don't have all of  
8 your pictures on my screen right now.

9 Okay. So I think we have an EIR consultant's  
10 report next all right.

11 MS. ROBERTS: Good evening, Commissioners. My  
12 name is Kaitlin Roberts and I am an engineer with the  
13 environmental consulting firm Dudek. We will be  
14 preparing the Environmental Impact Report or EIR for this  
15 project in compliance with the requirements of the  
16 California Environmental Quality Act or CEQA.

17 Can you all see my screen okay?

18 CHAIR DORAN: Yes.

19 MS. ROBERTS: Okay. Okay. So this slide just  
20 provides an overview of -- of the slides in this  
21 presentation. I do have a slide for each of these bullet  
22 points, so I'll just go ahead and jump right in.

23 First up, the purpose of the Scoping Session is  
24 to help inform our work as we prepare the EIR for the  
25 project. The Scoping Session provides an opportunity

1 early in the environmental review process for  
2 Commissioners, public agencies and community members to  
3 comment on specific topics that they believe should be  
4 addressed or included in the environmental analysis.

5           The Scoping Session is also an opportunity for  
6 us to receive comments related to possible mitigation  
7 measures or strategies that may be used to reduce  
8 environmental impacts associated with the development of  
9 the project site, and it's also an opportunity to provide  
10 input -- input on potential alternatives for  
11 consideration in the Draft EIR.

12           So as the applicant has already touched on, the  
13 project revisions that have come about since the  
14 submission of the original application, those include the  
15 replacement of the office use with forty-nine townhomes,  
16 and as the applicant showed, those townhomes would be  
17 distributed across the southern portion of the site.

18           There was a previous Scoping Session held on  
19 January 25th of this year to solicit comments on that  
20 original application. I'll discuss some of the feedback  
21 that was received during that presentation.

22           So just as I mentioned before, the revisions  
23 included the replacement of office uses with residential.  
24 The other changes, as the applicant discussed, included  
25 the conversion of the emergency only access from Chrysler

1 Drive to full access and then the modification of the  
2 paseo park and open space elements of the project.

3 This slide lists the topics that we're  
4 anticipating will be addressed in the EIR. As we  
5 discussed back in January, the project is not expected to  
6 result in significant effects to agriculture or forestry  
7 resources, mineral resources or wildfire.

8 So a detailed analysis will not be included in  
9 the EIR. The rest of these -- the topics listed on this  
10 slide will be covered in the document.

11 For several of these topics, we will be  
12 preparing some of the typical technical reports, and we  
13 use those to complete the impact analysis in each of the  
14 associated sections of the EIR.

15 For example, our team is preparing stand-alone  
16 reports for biological and cultural resources, noise, air  
17 quality and greenhouse gas, and also transpor --  
18 transportation and traffic.

19 So for traffic, our transportation team is  
20 going to be preparing a transportation impact analysis in  
21 accordance with the City's guidelines.

22 The City's traffic analysis guidelines have  
23 recently been updated to require the transportation  
24 impacts in CEQA be determined in vehicle miles traveled  
25 or VMT, instead of levels of service or LOS.

1           However, the City's guidelines still do require  
2 traffic reports include that LOS analysis for planning  
3 purposes. So the report that our Dudek team prepares  
4 will include is VMT analysis as well as LOS analysis.

5           And the graphic on this slide just shows the  
6 study intersections that our team will be looking at in  
7 their traffic study.

8           So on this slide, we have an overview of the  
9 environmental review process and -- along with milestones  
10 and then the estimated dates for completion of those  
11 milestones.

12           As was mentioned before, the NOP was released  
13 on September 10th, and then the comment period for the  
14 NOP will end on October 11th.

15           Following the close of the comment period, we  
16 will be working on preparing the Draft EIR, and the Draft  
17 EIR is expected to be published in mid-winter of 2022,  
18 and then at that time there will be another public  
19 hearing on the Draft EIR and that will be an opportunity  
20 for the public and agencies to comment on the Draft EIR  
21 documents.

22           And then the Final EIR will be prepared and  
23 that will address all of the comments received during the  
24 Draft EIR comment review period and the -- the Final EIR  
25 will require the final changes that are necessary to the

1 Draft EIR, and then that -- the date for that is expected  
2 to occur in mid-spring of 2022.

3 And then following the hearing for the Final --  
4 then we'll be hearing for the Final EIR will be held  
5 before the Planning Commission and City Council, and  
6 that's expected in late spring of 2022.

7 And after the EIR is certified, the project can  
8 then be approved.

9 Also, as I mentioned, there was a previous  
10 Scoping Session held to look at the original project  
11 application, and that -- that was in December of 2020  
12 into January of this year.

13 The Scoping Session was held on January 25th of  
14 this year and verbal comments were received during that  
15 session, and then following the session, there were four  
16 agency comment letters that were received.

17 So for the agency comments that were received,  
18 they came from the State Department of Fish and Wildlife,  
19 Caltrans, Native American Heritage Commission and then  
20 the Sequoia Union High School District.

21 And then for -- for the verbal comments  
22 received -- I'm not going to go through all of them, but  
23 they did include comments about the relationship of the  
24 project to the Connect Menlo plan and the EIR for the  
25 plan.



1           And then there were concerns related to  
2   adequacy of open space and recreation demands, concerns  
3   related to traffic impacts, land use compatibility,  
4   impacts to schools, loss of trees and so on.

5           So as I said before, comments received  
6   regarding the scope and content of information to be  
7   considered in the EIR from both the January 25th session  
8   and the verbal comments received tonight and then any  
9   other written comments received prior to end of the  
10   current comment period that ends on October 11th, those  
11   will all be considered in the Draft EIR.

12           So this slide just provides information on  
13   submitting written comments of the Draft EIR. Those have  
14   to be submitted on October 11th before 5:00 pm to the  
15   City. Contact information is provided on this slide, and  
16   I guess that concludes any presentation and I am  
17   available to answer any questions and look forward to  
18   receiving your comments.

19           Thank you.

20           CHAIR DORAN: Thank you, Ms. Roberts.

21           So if we have any clarifying questions for Ms.  
22   Roberts, now is the appropriate time. If not, I'm going  
23   to move to public comment on the EIR Scoping Session, and  
24   then after that, we'll have a chance from comments from  
25   Commission.

1 Do we have any clarifying questions at this  
2 time? Okay. I'm not seeing any.

3 Mr. Pruter, can you see if we have any hands  
4 are raised for public comment?

5 MR. PRUTER: As a reminder to members of the  
6 public, if you'd like to speak on the EIR Scoping Session  
7 item for this project, you may do so by raising your  
8 hand, the hand icon -- icon on your screen or if you are  
9 calling by phone, pressing star 9.

10 At this moment, I do not see any hands or  
11 phones that seek to provide public comments, but if you'd  
12 like to wait a moment and confirm that, as well.

13 CHAIR DORAN: Yeah. Let's -- let's give the  
14 people a moment to raise their hands. So still no hands  
15 raised?

16 MR. PRUTER: That is correct, Chair Doran. No  
17 phone hands raised, as well.

18 CHAIR DORAN: Okay. I'm going to close public  
19 comments on the EIR Scoping Session. We'll have another  
20 opportunity for comments on the project when we do the  
21 study session next.

22 So I'd like to bring it back to our virtual  
23 dais and see what comments and questions we have or the  
24 questions we have from the Commission. Don't be shy.

25 Mr. DeCardy.

1           COMMISSIONER DECARDY:    This is a pattern that  
2 I'm very happy to break to my fellow Commissioners. I am  
3 glad not to go first, but I'm also happy going first.

4           CHAIR DORAN:    Someone's got to do it.

5           COMMISSIONER DECARDY:    Ms. Roberts, thanks for  
6 your presentation. I really appreciate it and the work  
7 that you're doing here.

8           I have a couple of questions. The first is  
9 around how you all do your analysis around transportation  
10 and vehicle miles traveled relative to different  
11 scenarios for parking embedded in a project.

12           So do you look at only the proposed parking or  
13 what are the dependent or independent variables that you  
14 would look at in order to analyze what the impacts are on  
15 vehicle miles traveled?

16           MS. ROBERTS:    I'm not really prepared to  
17 answer that question. I would have to pull in, you know,  
18 our specialists. They will be preparing study. We have  
19 a whole transportation team, and I am not sure how they  
20 would assess that per this project.

21           COMMISSIONER DECARDY:    I think Miss Bhagat  
22 wanted to say something. Is that why you came on screen?

23           MS. BHAGAT:    Yeah. I was hoping to give an  
24 overview of generally how this is done.

25           For a project like this, you would take a look

1 at what the applicant is proposing in terms of parking.  
2 There's also as you know requirements in our zoning code  
3 to reduce the vehicle miles traveled through TDM  
4 programs. And we would look at the TDM programs and  
5 their effectively vis-a-vis the VMT.

6 But, you know, after that, if there should be  
7 any impact identified, then we would kind of go in and see  
8 how those impacts.

9 I know we've had this conversation around  
10 reduction of VMT and its connection to parking and  
11 alternatives for the project at various other meetings,  
12 and I think that component of the environmental document  
13 would really depend on the type of impact that we find.

14 But as Miss Roberts indicated, they have not  
15 done the analysis in this stage for this project. This  
16 is really informing the scope of the environmental  
17 document.

18 So when we prepare the document analysis, we  
19 would look at all those various aspects and hopefully  
20 that kind of a little bit answers your question.

21 COMMISSIONER DECARDY: Yeah. It does. I -- I  
22 appreciate that. I've been on the record before. Miss  
23 Roberts, you may not as much.

24 The TDM that's always put in place is  
25 essentially voluntary TDM. It's conceptual. It doesn't

1 really help in this mix.

2           And it all is based -- then the analysis that  
3 you end up doing through your firm is going to have a  
4 whole set of assumptions.

5           But I've said this so I'll just be clear. I'm  
6 not going to certify an EIR as adequate if it does not  
7 have an alternative project that has a -- a major, major  
8 reduction in parking and shows what the costs and  
9 benefits are to the community and that major reduction in  
10 parking.

11           I've given comments on EIRs I can't imagine how  
12 many times now and the outcome of the EIRs is that they  
13 are not helpful documents for our community and members  
14 of our community to understand something that comes up  
15 again and again, especially in this neighborhood, which  
16 is the impact of traffic and increase of traffic and  
17 frustrations that that causes for people.

18           And that has a significant environmental  
19 component, and we always look at this from the lens of  
20 what is code and what is proposed for parking and we  
21 never get to see it from the lens of what would it look  
22 like if there was half of the parking proposed or if  
23 there was seventy-five percent reduction in parking and  
24 what the environmental impacts would be for that and the  
25 opportunity for the community to consider those.

1           So that's my one and major frustration with our  
2 EIR process. That's my input, but ultimately if we end  
3 up with alternatives, which are essentially no project,  
4 max project or this project and we don't address the  
5 parking as a fourth alternative in some significantly  
6 reduced way, then I am not going to certify it as  
7 adequate.

8           I am only one Commissioner, so I can get voted  
9 down, but you know where I stand.

10          Thank you.

11          CHAIR DORAN: Thank you.

12          Do we have others who would like to speak now?  
13 Mr. Riggs.

14          COMMISSIONER RIGGS: Thank you.

15          This won't surprise the other Commission  
16 members that I will echo Mr. DeCardy, and my request that  
17 we see an alternative in the EIR that specifically  
18 results in significant traffic reduction.

19          And I will simply echo what Mr. DeCardy has  
20 suggested. I think that that's a fine approach, to  
21 specifically look at parking. Because that can be part  
22 of the definition of a project alternative.

23          This may not be a requirement of CEQA, but I  
24 think there is interest here on this Commission  
25 representing the City of Menlo Park to, the degree that

1 we may, that we have such an alternative, and if it's  
2 presented as an additional alternative outside the  
3 requirements of CEQA, as long as it appears in the EIR,  
4 it will respond to the concerns to be heard in the last  
5 five minutes.

6 Thank you.

7 CHAIR DORAN: Thank you.

8 Do we have other commissioners who would like  
9 to speak? Okay. It appears we don't.

10 I want to ask Ms. Bhagat if she feels that  
11 she's got enough input for the Scoping Session.

12 MS. BHAGAT: Thank you, Chair. We still have  
13 time till October 11 to get input. So if any of the  
14 Commissioners have another thought on what should be  
15 studied as part of this Environmental Impact Report, we  
16 will we will certainly consider those comments, and quite  
17 oftentimes we get comment letters after the public  
18 hearing to define issues that they would like to see  
19 studied in the document.

20 So for this evening, if you have no other  
21 speakers, then we can certainly move on to the Study  
22 Session.

23 CHAIR DORAN: Certainly. I don't see other  
24 Commissioners raising their hand, so I'm going to close  
25 the public hearing portion and move on to our Study

1 Session.

2 (This portion concluded at 8:38 pm).

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1 STATE OF CALIFORNIA )

2 COUNTY OF SAN FRANCISCO )

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I, the undersigned, hereby certify that the discussion in the foregoing meeting was taken at the time and place therein stated; that the foregoing is a full, true and complete record of said matter.

7

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing meeting and caption named, or in any way interested in the outcome of the cause named in said action.

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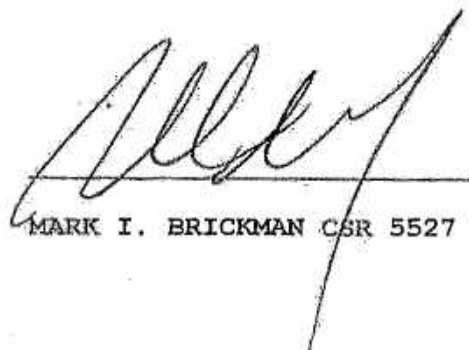
IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of November, 2021.

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MARK I. BRICKMAN CSR 5527

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Attachment E: Project Meetings and Milestones	
Milestone	Date
Project submittal	September 30, 2020
Notice of Preparation for EIR release	January 8, 2021
Planning Commission EIR scoping session and study session	February 8, 2021
Second Notice of Preparation for EIR release	September 10, 2021
Second Planning Commission EIR scoping session and study session	September 27, 2021
Notice of Availability of the Draft EIR	November 28, 2022
Planning Commission Draft EIR public hearing and study session	December 12, 2022

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<b>Aesthetics</b>			
<b>Impact 4.1-1:</b> Would the project have a substantial adverse effect on a scenic vista?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.1-2:</b> Would the project substantially damage scenic resources including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.1-3:</b> In non-urbanized areas, would the project substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.1-4:</b> Would the project create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.1-5:</b> Would the project have a cumulative effect on aesthetic resources?	No Impact	No mitigation measures are required.	N/A
<b>Air Quality</b>			
<b>Impact 4.2-1:</b> Would the project conflict with or obstruct implementation of the applicable air quality plan?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.2-2:</b> Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the Project region	Potentially Significant	<b>MM 4.2a Fugitive Dust Reduction</b>	Less than Significant Impact with Mitigation Incorporated

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
is non-attainment under an applicable federal or state ambient air quality standard?		<p>The project shall implement the following during construction:</p> <ol style="list-style-type: none"> <li>1. All exposed surfaces (e.g., parking/staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.</li> <li>2. All haul trucks transporting soil, sand, or other loose material off site shall be covered.</li> <li>3. All visible mud or dirt track-out onto local roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.</li> <li>4. All vehicle speeds on unpaved roads shall be limited to 15 miles per hour (mph).</li> <li>5. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.</li> <li>6. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California Airborne Toxics Control Measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.</li> <li>7. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.</li> </ol>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>8. Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The BAAQMD’s phone number shall also be visible to ensure compliance with applicable regulations.</p>	
<p><b>Impact 4.2-3:</b> Would the project expose sensitive receptors to substantial pollutant concentrations?</p>	<p>Potentially Significant</p>	<p><b>MM 4.2b Construction Equipment Emissions Reductions</b></p> <p>To reduce the potential for TAC emissions, specifically diesel particulate matter (DPM) as a result of construction of the project, the applicant shall:</p> <p>Prior to the start of construction activities, the project applicant, or its designee, shall ensure that all 50-horsepower or greater diesel-powered equipment is powered with California Air Resources Board (CARB)-certified Tier 4 Final engines or better. Such equipment shall be outfitted with Best Available Control Technology (BACT) devices including, but not limited to, a CARB-certified Level 3 Diesel Particulate Filters (DPFs). Additionally, the City shall include this requirement in applicable bid documents, and successful contractor(s) must demonstrate the ability to supply compliant equipment prior to the commencement of the grading activity. A copy of each unit’s certified tier specification and CARB or Bay Area Air Quality Management District (BAAQMD) operating permit (if applicable) should be available upon request at the time of mobilization of each applicable unit of equipment. The City should require periodic reporting and provision of written documentation</p>	<p>Less than Significant Impact with Mitigation Incorporated</p>

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>by contractors to ensure compliance, and conduct regular inspections to the maximum extent feasible to ensure compliance.</p> <p>In the event that the City finds that Tier 4 Final construction equipment is not feasible pursuant to California Environmental Quality Act Guidelines Section 15364, the project representatives or contractors must provide written documentation supported by substantial evidence that is reviewed and approved by the City before using other technologies/strategies. Before an exemption may be considered by the City, the applicant shall: (1) be required to demonstrate that two construction fleet owners/operators in the Bay Area region were contacted and that those owners/operators confirmed Tier 4 Final equipment could not be located within the Bay Area region; and (2) the proposed replacement equipment has been evaluated using the California Emissions Estimator Model or other industry standard emission estimation method and documentation provided to the City to confirm the project-generated emissions do not exceed applicable BAAQMD mass daily thresholds of significance.</p> <p>Alternative applicable strategies may include, but would not be limited to, Tier 4 Interim construction equipment and/or reduction in the number and/or horsepower rating of construction equipment, if appropriate.</p>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		The construction contractor(s) shall maintain equipment maintenance records for the construction portion of the project. All construction equipment must be tuned and maintained in compliance with the manufacturer’s recommended maintenance schedule and specifications. Upon request for inspection, construction contractor(s) shall make available all maintenance records for equipment used on site within one business day (either hardcopy or electronic versions).	
<b>Impact 4.2-4:</b> Would the project result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.2-5:</b> Would the project have a cumulative effect on air quality resources?	Potentially Significant	<b>MM 4.2a</b> <b>MM 4.2b</b>	Less than Significant Impact with Mitigation Incorporated
<b>Biological Resources</b>			
<b>Impact 4.3-1:</b> Would the project have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	Potentially Significant	<b>MM 4.3a Pre-construction Surveys for Bat Roosts.</b> To the extent practicable, demolition of existing structures should occur outside the bat maternity season when dependent young would be present, which generally occurs from April to September in California. Prior to the removal of trees or the demolition of buildings, a bat survey shall be performed by a qualified bat biologist no more than 3 days prior to the start of construction activities. A qualified bat biologist shall have at least 2 years of experience conducting bat surveys that resulted in detections for relevant species, such as pallid bat and Townsend’s big-eared bat, with verified project names, dates, and	Less than Significant Impact with Mitigation Incorporated

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>references, and experience with relevant equipment used to conduct bat surveys. The survey should include a determination on whether active bat roosts are present on or within 50 feet of the project site. The survey shall include a visual inspection of potential roosting features (e.g., cavities, crevices in wood and bark, exfoliating bark, suitable canopy for foliage roosting species, attics, eaves).</p> <p>If no evidence of bat roosting is found, the project sponsor shall complete the following:</p> <ul style="list-style-type: none"> <li>Submit a memorandum prepared by the biologist who completed the survey describing survey methods, conditions, and results of the survey.</li> <li>No further action is required if the trees and buildings are removed prior to the next breeding season (the following April).</li> <li>If demolition is not completed by the following April, a new bat survey shall be completed by a qualified biologist no more than three days prior to any further demolition or tree removal.</li> </ul> <p>If the survey identifies active bat roosts, or buildings scheduled for demolition, or trees scheduled for removal as potential bat habitat, demolition and tree removal may not begin, or resume, and the project sponsor shall complete the following:</p> <ul style="list-style-type: none"> <li>Retain a qualified biologist to conduct an evening visual emergence survey of the source building(s) from 0.5 hours before to 1 or 2 hours after sunset for a minimum of 2 nights, using night-vision goggles and/or passive acoustic detectors/monitoring equipment to assist in species identification.</li> </ul>	



**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>If roosting is found to occur on site, the project sponsor and qualified biologist must prepare an appropriate bat eviction and exclusion plan which will recognize maternity and winter roosting seasons as vulnerable seasons for bats, and require exclusion outside of these times, for example, dates generally between March 1 and April 15 or September 1 and October 15 are suitable times for exclusion; identify suitable areas for excluded bats to disperse or require installation of appropriate dispersal habitat, such as artificial bat houses, prior to project activities, and include an associated management and monitoring plan with implementation and funding; and include a requirement that exclusion materials shall be re-evaluated for effectiveness by the qualified biologist up to 2 weeks prior to building demolition. Locations and procedures for the implementation of bat boxes shall be determined by a qualified biologist and consultation with the California Department of Fish and Wildlife to reduce the likelihood of mortality of the evicted bats.</p> <p>If maternity roosts are identified during the maternity roosting season (between the months of April and September), avoid all disturbance to such roosts until a qualified biologist has determined the young bats are no longer roosting.</p> <p>If a female or maternity colony of bats is found on the project site, construction activities shall be conducted outside of the maternity roost season (after September 1 and before April 15), if feasible.</p>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>If an active maternity roost is documented on-site and the project cannot be conducted outside of the maternity roosting season, a qualified biologist shall implement a construction-free buffer zone around the active roost to ensure the continued success of the colony. Such buffer zones may include a construction-free barrier of 200 feet from the roost. If implementing a construction-free buffer during the maternity roosting season is not feasible for the project, then bats shall be excluded from the site after September 1 and before October 15, and/or after March 1 and before April 15, to prevent the formation of maternity colonies. Non-breeding bats shall be safely evicted under the direction of a qualified biologist.</p>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<ul style="list-style-type: none"> <li>- If the qualified biologist identifies potential bat habitat trees, then tree trimming and tree removal shall not proceed unless the following occurs: (1) a qualified biologist conducts night emergence surveys or completes visual examination of roost features that establishes absence of roosting bats or (2) tree trimming and tree removal occurs only during seasonal periods of non-breeding bat activity, from approximately March 1 through April 15 and September 1 through October 15, and tree removal occurs using the two-step removal process. Two-step tree removal shall be conducted over two consecutive days. The first day (in the afternoon), under the direct supervision and instruction by a qualified biologist with experience conducting two-step tree removal, limbs and branches shall be removed by a tree cutter using chainsaws only; limbs with cavities, crevices or deep bark fissures shall be avoided. The second day the entire tree shall be removed.</li> </ul>	
<p><b>Impact 4.3-2:</b> Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?</p>	No impact	No mitigation measures are required.	N/A
<p><b>Impact 4.3-3:</b> Would the project have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct</p>	No impact	No mitigation measures are required.	N/A

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
removal, filling, hydrological interruption, or other means?			
<b>Impact 4.3-4:</b> Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	Potentially Significant	<b>MM 4.3b Pre-construction Survey for Nesting Birds.</b> If project construction activities are scheduled to occur during the nesting season (March 1 to August 31), a pre-construction nesting bird survey should be conducted by a qualified biologist within 7 days prior to construction activities to determine if any native birds are nesting on or near the project site (including a 250-foot buffer for raptors). If any active nests are observed during surveys, a suitable avoidance buffer will be determined by the qualified biologist based on species, location and planned construction activity. These nests would be avoided until the chicks have fledged and the nests are no longer active as determined by the qualified biologist.	Less than Significant Impact with Mitigation Incorporated
<b>Impact 4.3-5:</b> Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.3-6:</b> Would the project conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.3-7:</b> Would the project have a cumulative effect on biological resources?	No Impact	No mitigation measures are required.	N/A
<b>Cultural Resources</b>			
<b>Impact 4.4-1:</b> Would the project cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5?	No Impact	No mitigation measures are required.	N/A

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<p><b>Impact 4.4-2:</b> Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?</p>	<p>Potentially Significant</p>	<p><b>MM 4.4a Extended Phase I Investigation</b></p> <p>Prior to issuance of a demolition permit, the City shall verify that the project sponsor has retained a qualified archaeologist, meeting the Secretary of the Interior’s Professional Qualification Standards, to develop and implement an Extended Phase I Archaeological Assessment of the project site to test for buried archaeological deposits to the depth of the project’s grading, trenching, and excavation. This Extended Phase 1 Assessment shall include subsurface testing of the project site through mechanical trenching to allow the archaeologist to observe subsurface conditions and locate any buried cultural deposits, features or artifacts. Following demolition of existing buildings and removal of pavement and other impervious surfaces at the project site and prior to commencement of grading, trenching, and excavation, the Extended Phase I Assessment shall be completed, and the archaeologist shall document any findings and subsurface conditions in an Extended Phase 1 report which shall be submitted to the City. If the Extended Phase I Investigation identifies archaeological resources, the archaeologist shall evaluate the find to determine its significance under CEQA (14 CCR 15064.5[f]; Public Resources Code Section 21082), consistent with MM-4.4b.</p> <p><b>MM 4.4b Unanticipated Discovery of Archaeological Resources</b></p> <p>In the event that archaeological resources (sites, features, or artifacts) are exposed during construction activities for the proposed project, all construction work occurring within 50 feet of the find shall</p>	<p>Less than Significant Impact with Mitigation Incorporated</p>

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>immediately stop until a qualified archaeologist, meeting the Secretary of the Interior’s Professional Qualification Standards, can evaluate the significance of the find and determine whether or not additional study is warranted. Construction activities may not resume in the area immediate to the discovery until authorized by the archaeologist. Depending upon the significance of the find under CEQA (14 CCR 15064.5[f]; Public Resources Code Section 21082), the archaeologist may simply record the find and allow work to continue. If the discovery proves significant under CEQA, additional work such as preparation of an archaeological or tribal cultural treatment plan, testing, or data recovery would be warranted. Examples of treatment for archaeological resources, in no order of preference, may include, but are not limited to, any of the following: (1) avoiding the resource, (2) establishing a permanent conservation easement over the resource, (3) capping or covering archaeological site with a layer of soil before building on the site, and (4) having parks, greenspace, or other open space incorporate the archaeological site. Excavation and curation shall be the last considered treatment for archaeological resources.</p>	
<p><b>Impact 4.4-3:</b> Would the project disturb any human remains, including those interred outside of dedicated cemeteries?</p>	<p>Less than Significant</p>	<p>No mitigation measures are required.</p>	<p>N/A</p>
<p><b>Impact 4.4-4:</b> Would the project have a cumulative effect on cultural resources?</p>	<p>Less than Significant</p>	<p>MMs 4.4a and 4.4b as listed above.</p>	<p>Less than Significant Impact with Mitigation Incorporated</p>
<p><b>Energy</b></p>			
<p><b>Impact 4.5-1:</b> Would the project result in potentially significant environmental impact</p>	<p>Less than Significant</p>	<p>No mitigation measures are required.</p>	<p>N/A</p>

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?			
<b>Impact 4.5-2:</b> Would the project conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.5-3:</b> Would the project have a cumulative effect on energy resources?	Less than Significant	No mitigation measures are required.	N/A
<b>Geology and Soils</b>			
Would the project directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:			
a. <b>Impact 4.6-1:</b> Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.6-2:</b> Strong seismic ground shaking?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.6-3:</b> Strong seismic-related ground failure, including liquefaction?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.6-4:</b> Landslides?	Less than Significant Impact	No mitigation measures are required.	N/A
<b>Impact 4.6-5:</b> Would the project result in substantial soil erosion or the loss of topsoil?	Less than Significant Impact	No mitigation measures are required.	N/A
<b>Impact 4.6-6:</b> Would the project be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on or offsite landslide, lateral spreading, subsidence, liquefaction, or collapse?	Potentially Significant	<b>MM 4.6a</b> Prior to issuance of a grading permit, the project developer shall submit to the City an analysis prepared by a qualified geotechnical consultant regarding the effects of dewatering on nearby buildings and the proposed design of the shoring and dewatering systems and confirming that the	Less than Significant Impact with Mitigation Incorporated

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>geotechnical aspects of the proposed shoring system meets the Geotechnical Investigation requirements. The analysis shall demonstrate that the shoring and dewatering systems minimize the amount of dewatering required and that dewatering will not result in structural damage to improvements on adjacent properties. If the estimated settlements are not acceptable, the dewatering and shoring system shall include measures to reduce settlement, such as installing a secant pile or continuous soil-cement mix wall to shore the excavation as well as cut off lateral groundwater flow, thus reducing the amount of dewatering required from within the excavation.</p> <p><b>MM 4.6b</b></p> <p>Prior to issuance of a grading permit, the City shall ensure that the proposed grading and construction schedule provides for fill placement to occur a minimum of 3 months prior to foundation installation, consistent with the recommendations provided in the Geotechnical Investigation prepared for the project by Rockridge Geotechnical.</p>	
<p><b>Impact 4.6-7:</b> Would the project be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, creating substantial direct or indirect risks to life or property?</p>	<p>No Impact</p>	<p>No mitigation measures are required.</p>	<p>N/A</p>
<p><b>Impact 4.6-8:</b> Would the project have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?</p>	<p>No Impact</p>	<p>No mitigation measures are required.</p>	<p>N/A</p>



**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<p><b>Impact 4.6-9:</b> Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?</p>	<p>Potentially Significant</p>	<p><b>MM 4.6c</b></p> <p>In the event that fossils or fossil bearing deposits are discovered during ground-disturbing activities, excavations within a 50-foot radius of the find shall be temporarily halted or diverted. Ground disturbance work shall cease until a City-approved qualified paleontologist determines whether the resource requires further study. The paleontologist shall document the discovery as needed (in accordance with Society of Vertebrate Paleontology standards [Society of Vertebrate Paleontology 1995]), evaluate the potential resource, and assess the significance of the find under the criteria set forth in CEQA Guidelines Section 15064.5. The paleontologist shall notify the appropriate agencies to determine procedures that would be followed before construction activities are allowed to resume at the location of the find. If avoidance is not feasible, the paleontologist shall prepare an excavation plan for mitigating the effect of construction activities on the discovery. The excavation plan shall be submitted to the City of Menlo Park for review and approval prior to implementation, and all construction activity shall adhere to the recommendations in the excavation plan (ConnectMenlo EIR MM CULT-3).</p>	<p>Less than Significant Impact with Mitigation Incorporated</p>
<p><b>Impact 4.6-10:</b> Would the project make a cumulatively considerable contribution to a significant cumulative impact related to geology, soils, seismicity, or paleontological resources?</p>	<p>Potentially Significant</p>	<p>MMs 4.6a, 4.6b, and 4.6c as listed above.</p>	<p>Less than Significant Impact with Mitigation Incorporated</p>

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<b>Greenhouse Gas Emissions</b>			
<b>Impact 4.7-1:</b> Would the project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.7-2:</b> Would the project conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.7-3:</b> Would the project have a cumulative effect on greenhouse gas emissions?	Less than Significant	No mitigation measures are required.	N/A
<b>Hazards and Hazardous Materials</b>			
<b>Impact 4.8-1:</b> Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.8-2:</b> Would the project create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	Potentially Significant	<b>MM 4.8a</b> Construction at the sites of any site in the City with known contamination, shall be conducted under a project-specific Environmental Site Management Plan (ESMP) that is prepared in consultation with the Regional Water Quality Control Board (RWQCB) or the Department of Toxic Substances Control (DTSC), as appropriate. The purpose of the ESMP is to protect construction workers, the general public, the environment, and future site occupants from subsurface hazardous materials previously identified at the site and to address the possibility of encountering unknown contamination or hazards in the subsurface. The ESMP shall summarize soil and	Less than Significant Impact with Mitigation Incorporated

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>groundwater analytical data collected on the project site during past investigations; identify management options for excavated soil and groundwater, if contaminated media are encountered during deep excavations; and identify monitoring, irrigation, or other wells requiring proper abandonment in compliance with local, State, and federal laws, policies, and regulations (ConnectMenlo EIR MM HAZ-4a) The ESMP shall include measures for identifying, testing, and managing soil and groundwater suspected of or known to contain hazardous materials.</p> <p>The ESMP shall: (1) provide procedures for evaluating, handling, storing, testing, and disposing of soil and groundwater during project excavation and dewatering activities, respectively; (2) describe required worker health and safety provisions for all workers potentially exposed to hazardous materials in accordance with State and federal worker safety regulations; and (3) designate personnel responsible for implementation of the ESMP.</p> <p><b>MM 4.8b</b></p> <p>For those sites throughout the city with potential residual contamination in soil, gas, or groundwater that are planned for redevelopment with an overlying occupied building, a vapor intrusion assessment shall be performed by a licensed environmental professional. If the results of the vapor intrusion assessment indicate the potential for significant vapor intrusion into an occupied building, project design shall include vapor controls or source removal, as appropriate, in accordance with regulatory agency</p>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>requirements. Soil vapor mitigations or controls could include vapor barriers, passive venting, and/or active venting. The vapor intrusion assessment and associated vapor controls or source removal can be incorporated into the ESMP required under MM 4.8a. (ConnectMenlo EIR MM HAZ-4b).</p> <p><b>MM 4.8c</b></p> <p>Prior to commencement of any demolition or construction activities, the project applicant shall prepare a Hazardous Materials Health and Safety Plan that identifies required practices and procedures to protect the general public and construction workers from potentially hazardous materials and accidental release of hazardous materials. The practices and procedures shall include spill prevention, cleanup and evacuation procedures as well as procedures to be followed in the event that previously undiscovered hazardous materials are encountered during construction. The Hazardous Materials Health and Safety Plan shall demonstrate compliance with California Code of Regulations, Title 8, Chapter 4: Subchapter 4: Construction Safety Orders; Subchapter 5: Electrical Safety Orders; and Subchapter 7: General Industry Safety Orders as well as California Health and Safety Code, Section 25100 et seq.: Hazardous Waste Control Act.</p> <p>The Hazardous Materials Health and Safety Plan shall also include provisions for completion of a comprehensive survey within each existing building to identify asbestos-containing materials (ACM) and lead-based paints (LBP) prior to any demolition activities and shall define procedures for managing</p>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		demolition activities such that ACM and LBP are not released into the air and worker exposure to ACM and LBP is avoided. These procedures shall be sufficient to ensure that demolition of buildings containing ACM and/or LBP and disposal of these materials will be conducted in accordance with local, state, and federal regulations, including the U.S. Environmental Protection Agency’s (EPA’s) Asbestos National Emissions Standards for Hazardous Air Pollutants, the California Occupational Safety and Health Administration’s Construction Lead Standard (8 CCR 1532.1), California Department of Toxic Substances Control, EPA requirements for disposal of hazardous waste, and Bay Area Air Quality Management District (BAAQMD) Regulation 11, Hazardous Pollutants Rule 2: Asbestos Demolition, Renovation And Manufacturing. At least 10 days prior to demolition, the project applicant and/or construction contractor shall submit an Asbestos Notification to BAAQMD and obtain an Asbestos Demolition/Renovation job number. Disposal of any ACM and/or LBP found on the site shall be carried out by a contractor trained and qualified to conduct lead- or asbestos-related construction work and in accordance with the appropriate state and federal standards to ensure that these materials are not released into the air in the project vicinity.	
<b>Impact 4.8-3:</b> Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	Potentially Significant	MM 4.2b as listed above.	Less than Significant Impact with Mitigation Incorporated

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<b>Impact 4.8-4:</b> Would the project be located on a site that is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.8-5:</b> For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.8-6:</b> Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.8-7:</b> Would the project expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.8-8:</b> Would the project have a cumulative effect on hazards or hazardous materials?	Less than Significant	No mitigation measures are required.	N/A
<b>Hydrology and Water Quality</b>			
<b>Impact 4.9-1:</b> Would the project violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?	Less than Significant	No mitigation measures are required.	N/A

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<b>Impact 4.9-2:</b> Would the project substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.9-3:</b> Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would result in substantial erosion or siltation on- or off-site?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.9-4:</b> Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.9-5:</b> Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.9-6:</b> Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the	Less than Significant	No mitigation measures are required.	N/A

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
course of a stream or river or through the addition of impervious surfaces, in a manner which would impede or redirect flood flows?			
<b>Impact 4.9-7:</b> In flood hazard, tsunami, or seiche zones, would the project risk release of pollutants due to project inundation?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.9-8:</b> Would the project conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.9-9:</b> Would the project have a cumulative effect on hydrology or water quality resources?	No Impact	No mitigation measures are required.	N/A
<b>Land Use and Planning</b>			
<b>Impact 4.10-1:</b> Would the project physically divide an established community?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.10-2:</b> Would the project cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	Less than Significant Impact	No mitigation measures are required.	N/A
<b>Impact 4.10-3:</b> Would the project make a cumulatively considerable contribution to a significant cumulative impact related to land use and planning?	Less than Significant	No mitigation measures are required.	N/A
<b>Noise</b>			
<b>Impact 4.11-1:</b> Would the project result in generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of	Potentially Significant Impact	<b>MM 4.11a</b> Project applicants shall minimize the exposure of nearby properties to excessive noise levels from construction related activity through CEQA review,	Less than Significant Impact with Mitigation Incorporated



**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
standards established in the local general plan or noise ordinance, or applicable standards of other agencies?		<p>conditions of approval and/or enforcement of the City’s Noise Ordinance. Prior to issuance of demolition, grading, and/or building permits for development projects, a note shall be provided on development plans indicating that during ongoing grading, demolition, and construction, the property owner/developer shall be responsible for requiring contractors to implement the following measures to limit construction related noise:</p> <p>Construction activity is limited to the daytime hours between 8:00 a.m. to 6:00 p.m. on Monday through Friday, as prescribed in the City’s municipal code.</p> <p>All internal combustion engines on construction equipment and trucks are fitted with properly maintained mufflers, air intake silencers, and/or engine shrouds that are no less effective than as originally equipped by the manufacturer.</p> <p>Stationary equipment such as generators and air compressors shall be located as far as feasible from nearby noise-sensitive uses.</p> <p>Stockpiling is located as far as feasible from nearby noise-sensitive receptors.</p> <p>Limit unnecessary engine idling to the extent feasible.</p> <p>Limit the use of public address systems.</p> <p>Construction traffic shall be limited to the haul routes established by the City of Menlo Park. <i>(Modified ConnectMenlo MM NOISE-1c)</i></p> <p><b>MM 4.11b Construction Noise Control Plan</b></p> <p>The project sponsor shall develop a noise control plan for construction at the project site. The plan shall</p>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>require compliance with Section 8.06 of the Menlo Park Municipal Code and include measures to ensure compliance with the 60 dBA <math>L_{eq}</math> limit during the hours of 7:00 a.m. to 8:00 a.m. and the 50 dBA <math>L_{eq}</math> limit during the hours of 10:00 p.m. to 7:00 a.m. In addition, the plan shall include measures to ensure that construction noise will not result in a 10 dB increase over the ambient noise level at nearby sensitive receptors (i.e., Hotel Nia).</p> <p>The plan shall specify the noise-reducing construction practices that will be employed to reduce noise from construction activities in Menlo Park and shall demonstrate that compliance with these standards will be achievable. The measures specified by the project sponsor shall be reviewed and approved by the City prior to issuance of building permits. Measures to reduce noise may include, but are not limited to, the following:</p> <p style="padding-left: 40px;">The noise control plan shall demonstrate that noise levels during construction on the project site will meet the standards of this mitigation measure at sensitive receptors while those receptors are in use.</p> <p style="padding-left: 40px;">The noise control plan shall demonstrate that any construction activities taking place outside of normal construction hours of 8:00 a.m. to 6:00 p.m. Monday through Friday shall comply with the 60 dBA <math>L_{eq}</math> limit during the hours of 7:00 a.m. to 8:00 a.m. and the 50 dBA <math>L_{eq}</math> limit during the hours of 10:00 p.m. to 7:00 a.m.</p>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>The plan shall demonstrate that that combined construction noise would not result in a 10 dBA increase over the ambient noise level at nearby sensitive receptors.</p> <p>The contractor shall ensure that construction equipment will be equipped with mufflers. In addition, construction equipment must use the best available noise control techniques (e.g., improved mufflers, intake silencers, ducts, engine enclosures, acoustically attenuating shields, shrouds) on equipment and trucks used for project construction.</p> <p>All construction activities shall be conducted only at an adequate distance, or otherwise shielded with sound barriers, as determined in the noise control plan, from noise- sensitive receptors when working outside the normal construction hours of 8:00 a.m. to 6:00 p.m. Monday through Friday to ensure compliance with the Menlo Park Municipal Code and this mitigation measure.</p> <p>Stationary construction noise source with the potential to generate noise levels exceeding the applicable thresholds, shall be located at an adequate distance, or otherwise shielded with temporary sound barriers, from sensitive receptors to ensure compliance with the Menlo Park Municipal Code and this mitigation measure.</p>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
		<p>Temporary noise barriers (height to be determined) shall be installed around construction on the project site to reduce construction noise from equipment used outside the normal construction hours of 8:00 a.m. to 6:00 p.m. on weekdays. The installation of barriers would help reduce overall construction noise to less than 50 dBA <math>L_{eq}</math> for work occurring between 6:00 a.m. and 7:00 a.m. and 60 dBA <math>L_{eq}</math> for work occurring between 7:00 a.m. and 8:00 a.m., as measured at the applicable property lines of the adjacent uses, such that a 10 dB increase over ambient would not occur at nearby sensitive land uses. However, confirmation of the noise reduction would be required (per the last bullet of this measure, below). If the project sponsor can demonstrate, through an acoustical analysis, that construction noise would not exceed the allowable limits during non-exempt hours, as measured at the applicable property lines of the adjacent uses without barriers, then temporary noise barriers shall not be required.</p> <p>The effectiveness of noise attenuation measures shall be monitored by taking noise measurements at nearby noise-sensitive land uses during construction activities to ensure that the project is not causing an increase over ambient levels greater than 10 dB and compliance with the 50 and 60 dBA <math>L_{eq}</math> standards, which apply outside the construction exception hours of 8:00 a.m. and 6:00 p.m. Monday through Friday.</p>	

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<b>Impact 4.11-2:</b> Would the project result in generation of excessive groundborne vibration or groundborne noise levels?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.11-3:</b> Would the project result in cumulatively considerable noise impacts?	Potentially Significant	MMs 4.11a and 4.11b as listed above.	Less than Significant Impact with Mitigation Incorporated
<b>Population and Housing</b>			
<b>Impact 4.12-1:</b> Would the project induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.12-2:</b> Would the project displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.12-3:</b> Would the project have a cumulative effect on housing and/or population resources?	Less than Significant	No mitigation measures are required.	N/A
<b>Public Services</b>			
<b>Impact 4.13-1:</b> Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:			
Fire protection?	Less than Significant	No mitigation measures are required.	N/A
Police protection?	Less than Significant	No mitigation measures are required.	N/A
Schools?	Less than Significant	No mitigation measures are required.	N/A
Parks?	Less than Significant	No mitigation measures are required.	N/A
Other public facilities?	Less than Significant	No mitigation measures are required.	N/A

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<b>Impact 4.13-2:</b> Would the project increase the use of existing neighborhood or regional parks, or other recreational facilities requiring the construction of new parks?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.13-3:</b> Would the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.13-4:</b> Would the project contribute to a cumulative increase in demand for fire services, which could result in the need to construct new fire facilities?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.13-5:</b> Would the project contribute to a cumulative increase in demand for police services, which could result in the need to construct new police facilities?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.13-6:</b> Would the project contribute to a cumulative increase in demand for schools, which could result in the need to construct of new school facilities?	No Impact	No mitigation measures are required.	N/A
<b>Impact 4.13-7:</b> Would the project contribute to a cumulative increase in demand for parks or other recreational/public facilities, which could result in the need to construct new parks or facilities?	No Impact	No mitigation measures are required.	N/A
<b>Transportation</b>			
<b>Impact 4.14-1:</b> Would the project conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?	Less than Significant	No mitigation measures are required.	N/A

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<b>Impact 4.14-2:</b> Would the project exceed an applicable VMT threshold of significance?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.14-3:</b> Would the project substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.14-4:</b> Would the project result in inadequate emergency access?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.14-5:</b> Would the project have a cumulative effect on transportation resources?	Less than Significant	No mitigation measures are required.	N/A
<b>Tribal Cultural Resources</b>			
<p><b>Impact 4.15-1:</b> Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in PRC Section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:</p> <ul style="list-style-type: none"> <li>• Listed or eligible for listing in the California Register of Historical Resources, or in the local register of historical resources as defined in Public Resources Code Section 5020.1(k); or</li> <li>• A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of PRC Section 5024.1. In applying the</li> </ul>	Potentially Significant	<p><b>MM 4.15a Unanticipated Discovery of Tribal Cultural Resources.</b></p> <p>In the event that resources with potential to meet the definition of a “Tribal Cultural Resource” (archaeological sites, features, or artifacts of Native American origin or association) are exposed during construction activities, the City shall be immediately notified and all construction work occurring within 50 feet of the find shall immediately stop until the find is assessed by a qualified archaeologist. A report documenting the resource assessment shall be submitted to the City. The City shall review this information to assess if the resource has potential to meet the definition of a Tribal Cultural Resource and, if appropriate, contact and/or provide a designated individual the authority to notify traditionally and culturally affiliated Native American tribes. The tribes shall be provided a reasonable time to provide comment and recommend treatment of the find. The</p>	Less than Significant Impact with Mitigation Incorporated

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<p>criteria set forth in subdivision (c) of PRC Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.</p>		<p>City shall review these recommendations and, if they are confirmed to be reasonable and appropriate, they shall be implemented by the contractor. All management strategies shall occur in compliance with cultural resources mitigation and pertinent regulatory conditions. Treatment for tribal cultural resources would be consistent with PRC Section 21084.3(b), which recommends: (1) avoidance and preservation of the resources in place, including planning and construction to avoid the resources and protect the cultural and natural context, or planning greenspace, parks, or other open space, to incorporate the resources with culturally appropriate protection and management criteria; (2) treating the resource with culturally appropriate dignity, taking into account the tribal cultural values and meaning of the resource, including the following: (a) protecting the cultural character and integrity of the resource, (b) protecting the traditional use of the resource, and (c) protecting the confidentiality of the resource; (3) permanent conservation easements or other interests in real property, with culturally appropriate management criteria for the purposes of preserving or utilizing the resources or places; or (4) protecting the resource.</p>	
<p><b>Impact 4.15-2:</b> Would the project make a cumulatively considerable contribution to a significant cumulative impact related to tribal cultural resources?</p>	<p>Less than Significant</p>	<p>No mitigation measures are required.</p>	<p>N/A</p>



**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<b>Utilities and Service Systems</b>			
<b>Impact 4.16-1:</b> Would the project require or result in the relocation or construction of new or expanded water, wastewater treatment, or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects for the following resources?			
Water treatment?	Less than Significant	No mitigation measures are required.	N/A
Wastewater conveyance and treatment?	Less than Significant	No mitigation measures are required.	N/A
Stormwater management	Less than Significant	No mitigation measures are required.	N/A
Electrical supply?	No Impact	No mitigation measures are required.	N/A
Telecommunications?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.16-2:</b> Would the project have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry, and multiple dry years?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.16-3:</b> Would the project result in a determination by the wastewater treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.16-4:</b> Would the project generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	Less than Significant	No mitigation measures are required.	N/A
<b>Impact 4.16-5:</b> Would the project comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	No Impact	No mitigation measures are required.	N/A

**Table 1-1. Summary of Project Impacts**

Impacts	Level of Significance Before Mitigation	Mitigation Measure(s)	Level of Significance After Mitigation
<b>Impact 4.16-6:</b> Would the project have a cumulative effect on utilities and/or service systems resources?	Less than Significant	No mitigation measures are required.	N/A

**Table 7-3. Project Alternatives Impacts Summary**

<b>Environmental Issue</b>	<b>Proposed Project Impacts</b>	<b>Alternative 1: No Project Alternative</b>	<b>Alternative 2: Mixed-Use Alternative</b>	<b>Alternative 3: Base Level Development Alternative</b>
Aesthetics	Less than Significant	Similar	Similar	Similar
Air Quality	Less than Significant with Mitigation	Less	Similar	Less
Biological Resources	Less than Significant with Mitigation	Less	Similar	Similar
Cultural Resources	Less than Significant with Mitigation	Less	Similar	Slightly less
Energy	Less than Significant	Greater	Similar	Similar
Geology, Soils, Seismicity, and Paleontological Resources	Less than Significant with Mitigation	Less	Similar	Similar
Greenhouse Gas Emissions	Less than Significant	Greater	Similar	Similar
Hazards and Hazardous Materials	Less than Significant with Mitigation	Less	Similar	Similar
Hydrology and Water Quality	Less than Significant	Greater	Similar	Similar
Land Use and Planning	Less than Significant	Greater	Similar	Similar
Noise	Less than Significant with Mitigation	Less	Similar	Less
Population and Housing	Less than Significant	Similar	Similar	Similar
Public Services and Recreation	Less than Significant	Less	Similar	Less
Transportation	Less than Significant	Greater	Similar	Similar
Tribal Cultural Resources	Less than Significant with Mitigation	Less	Similar	Slightly less
Utilities and Service Systems	Less than Significant	Less	Similar	Similar

## 4.14.5 Non-CEQA Analysis

### Intersection Level of Service Analysis

An intersection level of service (LOS) analysis is provided in this section for informational purposes only. The TIA contains the analysis methodology and standards, as located in Appendix J1.

Although the City of Menlo Park adopted VMT thresholds into their TIA Guidelines, the City continues to require LOS analysis for conformance with their General Plan. LOS is commonly used as a qualitative description of intersection operations and roadway segments and is based on the design capacity of the intersection configuration and roadway facility, compared to the volume of traffic using the facility. Compliance criteria identified in the ConnectMenlo General Plan Update Circulation Element (City of Menlo Park 2016) and the City of Menlo Park Traffic Impact Analysis Guidelines (City of Menlo Park 2020a) were used to evaluate the project's potential impacts on intersection LOS. Thresholds vary depending on street classification and location of the intersection in relation state (Caltrans) approaches and jurisdictions. Potential improvements that could bring the proposed project into conformance with Circulation Policy 3.4 (strive to maintain LOS D at all City controlled intersections, except at the intersection of Ravenswood Avenue and Middlefield Road and at intersections along Willow Road from Middlefield Road to US 101) are also identified. Implementation of any such measures would require review and approval by City decision makers and implementation through project conditions of approval.

### Near Term (2025) Plus Project Conditions

This section presents the results of a cumulative condition analysis that was conducted for a short-term horizon year (2025) assuming the proposed project is constructed and fully occupied. This section follows the City's TIA Guidelines for intersection LOS analysis. Further discussion regarding methodology, LOS definitions, policy standards, and thresholds are provided in Appendix J1. The PTV Vistro software was used to determine intersection LOS, consistent with HCM 6 methodology for both signalized and unsignalized intersections, and detailed LOS calculation worksheets are included in Appendix J1.

Table 4.14-9 identifies the LOS for each intersection included in the study area under the near term no project and plus project conditions and whether the project could cause the City's LOS standards to be exceeded. With the addition of project traffic, the following intersections would exceed the thresholds identified in the City's TIA guidelines and increase the average critical movement delay by 0.8 seconds or more during AM and/or PM peak hours. As such, the following intersections would be non-compliant with the City's TIA Guidelines under Near Term (2025) plus project conditions.

- #1 (Marsh Road/Bayfront Expressway) – LOS E in AM and PM peak hours (signalized)
- #9 (Chrysler Drive/Constitution Drive) – LOS F in AM peak hour; LOS E in PM peak hour (signalized)
- #10 (Chrysler Drive/Jefferson Drive – East Driveway) – LOS F in AM peak hour (unsignalized)
- #11 (Chrysler Drive/Independence Drive) - LOS F in AM peak hour; LOS E in PM peak hour (unsignalized)
- #14 (Willow Road/Bayfront Expressway) – LOS F in AM and PM peak hours (signalized)

The Manual on Uniform Traffic Control Devices (MUTCD) peak hour signal warrant was performed at the unsignalized intersections (#10 and #11) and is provided in Appendix J1. The warrant is not met in either peak hour primarily due to lower traffic volumes along Chrysler Drive.

A summary of recommended improvement measures is provided in Table 4.14-11 to improve intersection operations to pre-project conditions or better for consistency with the City's TIA Guidelines.

**Table 4.14-9. Near Term (2025) Plus Project Peak Hour Intersection Level of Service**

No.	Intersection	Jurisdiction	LOS Method	Critical Approach	Near Term (2025)				Near Term (2025) plus Project				Change in Avg. Delay		Inconsistent w/City Standards? <sup>1</sup>		Inconsistent w/TIA Guidelines? <sup>2</sup>		Near Term (2025) plus Project w/Improvements			
					AM Peak		PM Peak		AM Peak		PM Peak		AM	PM	AM	PM	AM	PM	AM Peak		PM Peak	
					Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS							Avg. Delay	LOS	Avg. Delay <sup>1</sup>	LOS
1	Marsh Road/Bayfront Expressway	Menlo Park/State	HCM Signal		58.8	E	60.6	E	59.2	E	61.8	E	0.4	1.2	Yes	Yes	Yes	Yes	50.8	D	63.5	E
				NB	82.9	F	81.3	F	83.0	F	83.7	F	0.1	2.4	Yes	Yes			17.9	B	35.2	D
				EB	99.3	F	86.5	F	99.2	F	87.0	F	-0.1	0.6	Yes	Yes			68.5	E	77.3	E
2	Marsh Road/US 101 NB Off-Ramp	Menlo Park/State	HCM Signal		30.8	C	17.8	B	31.4	C	18.7	B	0.6	0.9	No	No	No	No				
3	Marsh Road/US 101 SB Off-Ramp	Menlo Park/State	HCM Signal		19.8	B	17.7	B	20.0	C	18.1	B	0.2	0.4	No	No	No	No				
4	Marsh Road/Scott Drive	Menlo Park	HCM Signal		19.3	B	32.7	C	19.4	B	32.8	C	0.1	0.1	No	No	No	No				
5	Marsh Road/Bay Road	Menlo Park	HCM Signal		23.9	C	18.7	B	23.9	C	18.7	B	0.0	0.0	No	No	No	No				
6	Marsh Road/Middlefield Road	Atherton	HCM Signal		37.6	D	38.1	D	38.0	D	38.3	D	0.4	0.2	No	No	No	No				
7	Marsh Road/Florence Street-Bohannon Drive	Menlo Park	HCM Signal		40.4	D	55.1	E	40.5	D	55.1	E	0.1	0.0	No	Yes	No	No				
8	Chrysler Drive/Bayfront Expressway	Menlo Park/State	HCM Signal		12.7	B	20.3	C	13.8	B	22.5	C	1.1	2.2	No	No	No	No				
9	Chrysler Drive/Constitution Drive	Menlo Park	HCM Signal		230.9	F	73.7	E	239.4	F	104.2	F	8.5	30.5	Yes	Yes	Yes	Yes	140.1	F	45.5	D
				SB	340.5	F	208.4	F	400.1	F	314.7	F	59.7	106.3	Yes	Yes			338.1	F	100.6	F
				EB	241.6	F	30.4	C	232.3	F	33.3	C	-9.2	2.9	Yes	No			47.6	D	30.5	C
10	Chrysler Drive/Jefferson Drive-East Driveway	Menlo Park	HCM TWSC		56.6	F	20.8	C	67.3	F	28.9	D	10.7	8.1	Yes	No	Yes	Yes	20.1	C	22.1	C
11	Chrysler Drive/Independence Drive	Menlo Park	HCM TWSC		291.3	F	45.5	E	336.3	F	50.9	F	45.0	5.4	Yes	Yes	Yes	Yes	31.7	C	21.7	C
12	Chilco Street/Bayfront Expressway	Menlo Park/State	HCM Signal		33.8	C	57.6	E	33.9	C	58.7	E	0.1	1.1	No	Yes	No	No				
				NB	N/A	N/A	165.1	F	N/A	N/A	165.1	F	N/A	0.0	No	Yes						
13	Chilco Street/Constitution Drive	Menlo Park	HCM Signal		33.8	C	171.1	F	33.9	C	163.0	F	0.1	-8.1	No	Yes	No	No				
				EB	N/A	N/A	295.0	F	N/A	N/A	294.1	F	N/A	-1.0	No	Yes	No	No				

**Table 4.14-9. Near Term (2025) Plus Project Peak Hour Intersection Level of Service**

No.	Intersection	Jurisdiction	LOS Method	Critical Approach	Near Term (2025)				Near Term (2025) plus Project				Change in Avg. Delay		Inconsistent w/City Standards? <sup>1</sup>		Inconsistent w/TIA Guidelines? <sup>2</sup>		Near Term (2025) plus Project w/Improvements			
					AM Peak		PM Peak		AM Peak		PM Peak		AM	PM	AM	PM	AM	PM	AM Peak		PM Peak	
					Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay <sup>1</sup>	LOS
14	Willow Road/Bayfront Expressway	Menlo Park/State	HCM Signal		137.1	F	113.0	F	136.9	F	114.3	F	-0.2	1.3	Yes	Yes	No	Yes	N/A	N/A	— <sup>3</sup>	— <sup>3</sup>
				NB	291.2	F	241.9	F	285.1	F	240.7	F	-6.1	-1.2	Yes	Yes			N/A	N/A	— <sup>3</sup>	— <sup>3</sup>
				SB	68.2	E	130.3	F	68.6	E	139.4	F	0.4	9.1	Yes	Yes			N/A	N/A	— <sup>3</sup>	— <sup>3</sup>
15	University Avenue/Bayfront Expressway	Menlo Park/State	HCM Signal		14.1	B	105.4	F	14.2	B	105.8	F	0.1	0.4	No	Yes	No	No				
				NB	N/A	N/A	161.3	F	N/A	N/A	161.1	F	N/A	-0.2	No	Yes	No	No				
D1	Southwest Driveway/Independence Drive	Menlo Park	HCM TWSC		N/A				12.7	B	13.1		N/A		B	No	No	No				
D2	Southeast Driveway/Independence Drive	Menlo Park	HCM TWSC		N/A				12.1	B	12.4		N/A		B	No	No	No				
D3	North Driveway/Constitution Drive	Menlo Park	HCM TWSC		N/A				17.7	C	12.0		N/A		B	No	No	No				

**Notes: Bold** – Exceeds LOS threshold

TWSC = two-way stop control; LOS reported for the movement with highest delay; NB = northbound; EB = eastbound; SB - southbound

N/A = not applicable – critical approach information is not relevant. Critical approach information is relevant where the proposed project would increase delay over the City's LOS thresholds.

<sup>1</sup> Inconsistency with City standards is provided for informational purposes only to determine whether intersection LOS meets General Plan standards.

<sup>2</sup> The City's TIA guidelines indicate that intersections with deficient LOS may result in "...a project [being] considered potentially noncompliant with local policies." The City has discretion to allow LOS to be exceeded in order to achieve other Circulation Element goals and policies.

<sup>3</sup> TIF improvements include adaptive traffic signal coordination along the Bayfront Expressway corridor which is likely to improve LOS operations; however, LOS is unable to be quantified at this time. Additionally, physical intersection improvements are considered infeasible due to right-of way (ROW) constraints.

### Cumulative (2040) Plus Project Conditions

This section presents the results of a cumulative condition analysis that was conducted for a long-term horizon year (2040) assuming both buildout of the General Plan and full operation of the proposed project. This section follows the City's TIA Guidelines for intersection LOS analysis. Further discussion regarding methodology, LOS definitions, policy standards, and thresholds are provided in Appendix J1. The PTV Vistro software was used to determine intersection LOS, consistent with HCM 6 methodology for both signalized and unsignalized intersections, and detailed LOS calculation worksheets are included in Appendix J1.

Table 4.14-10 identifies the LOS for each intersection included in the study area under the cumulative no project and plus project conditions and whether the project could cause the City's LOS standards to be exceeded. With the addition of project traffic, the following intersections would exceed the thresholds identified in the City's TIA guidelines and increase the average critical movement delay by 0.8 seconds or more during AM and/or PM peak hours. As such, the following intersections would be non-compliant with the City's TIA Guidelines under cumulative (2040) plus project conditions.

- #1 (Marsh Road/Bayfront Expressway) – LOS E in AM peak hour; LOS F in PM peak hour (signalized)
- #9 (Chrysler Drive/Constitution Drive) – LOS F in AM and PM peak hours (signalized)
- #10 (Chrysler Drive/Jefferson Drive – East Driveway) – LOS F in AM peak hour; LOS E in PM peak hour (unsignalized)
- #11 (Chrysler Drive/Independence Drive) - LOS F in AM peak hour (unsignalized)
- #13 (Chilco Street/Constitution Drive) – LOS F in AM and PM peak hours (signalized)
- #14 (Willow Road/Bayfront Expressway) – LOS F in AM and PM peak hours (signalized)

The Manual on Uniform Traffic Control Devices (MUTCD) peak hour signal warrant was performed at the unsignalized intersections (#10 and #11) and is provided in Appendix J1. The warrant is not met in either peak hour primarily due to lower traffic volumes along Chrysler Drive.

A summary of recommended improvement measures is provided in Table 4.14-11 to improve intersection operations to pre-project conditions or better for consistency with the City's TIA Guidelines. However, it should be noted that per OPR's Technical Advisory Guidelines (OPR 2018), roadway improvements that are confined to the intersection and do not extend through to the next roadway segment (i.e., roadway remaining at 4-lane capacity, even with widening of lanes at intersection level), would not likely lead to a substantial or measurable increase in vehicle travel, and therefore generally should not require an induced travel analysis.

It is noted that the ConnectMenlo EIR concluded that additional motor vehicle trips generated on the local roadway network as a result of the project would cause an increase in delay to peak hour vehicle traffic, resulting in significant impacts at some study intersections and roadway segments. The ConnectMenlo EIR was prepared before the 2018 CEQA Guidelines update, which included the section implementing SB 743 (CEQA Guidelines Section 15064.3) and before the City updated its Traffic Impact Analysis Guidelines. Thus, the ConnectMenlo EIR relied on LOS as a metric for defining significant environmental effects.

ConnectMenlo EIR Mitigation Measure TRANS-1a would require the widening of impacted roadway segments at appropriate locations throughout the city to add travel lanes and capacity to accommodate the increase in net daily trips. Implementation of Mitigation Measure TRANS-1a would reduce the impacts but not to a less than significant level. The ConnectMenlo EIR found that fully mitigating the impact to less than significant levels would be infeasible.



because it would require eliminating most of the year 2040 traffic growth on impacted segments, including background traffic growth and regional traffic growth outside the boundary of the City. Therefore, impacts to roadway segments were considered significant and unavoidable. However, these impacts are no longer considered environmental effects under CEQA.

ConnectMenlo EIR Mitigation Measure TRANS-1b requires updates to the City's TIF program to secure a funding mechanism for future roadway and infrastructure improvements to mitigate impacts from future projects (based on the current standards at the time the Final EIR was certified) but would not reduce the impact to less than significant levels. The City could not guarantee improvements at the impacted intersections because the nexus study (for development impact fees under AB 1600) had not been prepared, some improvements could cause secondary environmental impacts that would need to be addressed prior to construction, and some impacted intersections are within the jurisdiction of the City of East Palo Alto and Caltrans. Therefore, impacts to intersections were considered significant and unavoidable. Recently, the City's TIF program was updated and approved by the City Council. The City's Transportation Master Plan has been updated and was adopted by the City Council on November 17, 2020. The identified roadway improvements would not fully mitigate the intersection impacts identified in the ConnectMenlo EIR; however, these impacts are no longer considered environmental effects under CEQA.

**Table 4.14-10. Cumulative (2040) Peak Hour Intersection Level of Service**

No.	Intersection	Jurisdiction	LOS Method	Critical Approach	Cumulative (2040)				Cumulative (2040) plus Project				Change in Avg. Delay		Inconsistent w/City Standards? <sup>1</sup>		Inconsistent w/TIA Guidelines? <sup>2</sup>		Cumulative (2040) plus Project w/Improvements			
					AM Peak		PM Peak		AM Peak		PM Peak		AM	PM	AM	PM	AM	PM	AM Peak		PM Peak	
					Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS
1	Marsh Road/Bayfront Expressway	Menlo Park/State	HCM Signal		61.9	E	96.3	F	62.5	E	99.1	F	0.6	2.8	Yes	Yes	No	Yes	54.5	D	97.7	F
				NB	74.9	E	101.6	F	75.0	E	101.6	F	0.2	0.0	Yes	Yes			37.8	D	100.8	F
				EB	111.4	F	132.1	F	112.0	F	134.9	F	0.6	2.8	Yes	Yes			78.0	E	126.5	F
2	Marsh Road/US 101 NB Off-Ramp	Menlo Park/State	HCM Signal		61.6	E	21.3	C	62.2	E	22.8	C	0.6	1.5	Yes	No	No	No				
3	Marsh Road/US 101 SB Off-Ramp	Menlo Park/State	HCM Signal		21.8	C	18.0	B	22.4	C	18.3	B	0.6	0.3	No	No	No	No				
4	Marsh Road/Scott Drive	Menlo Park	HCM Signal		31.7	C	36.9	D	31.8	C	37.0	D	0.1	0.1	No	No	No	No				
5	Marsh Road/Bay Road	Menlo Park	HCM Signal		64.9	E	54.9	D	64.8	E	54.9	D	-0.1	0.0	Yes	No	No	No				
				EB	182.5	F	N/A	N/A	182.5	F	N/A	N/A	0.0	N/A	Yes	No	No	No				
6	Marsh Road/Middlefield Road	Atherton	HCM Signal		48.3	D	45.4	D	49.1	D	45.7	D	0.8	0.3	No	No	No	No				
7	Marsh Road/Florence Street-Bohannon Drive	Menlo Park	HCM Signal		60.3	E	90.9	F	60.4	E	90.8	F	0.1	-0.1	Yes	Yes	No	No				
				NB	84.9	F	195.9	F	84.9	F	195.0	F	0.0	-0.9	Yes	Yes						
8	Chrysler Drive/Bayfront Expressway	Menlo Park/State	HCM Signal		11.7	B	29.8	C	12.8	B	36.3	D	1.1	6.5	No	No	No	No				
9	Chrysler Drive/Constitution Drive	Menlo Park	HCM Signal		328.6	F	151.4	F	342.1	F	193.5	F	13.5	42.1	Yes	Yes	Yes	Yes	252.7	F	106.5	F
				SB	635.8	F	489.9	F	713.5	F	640.0	F	77.7	150.1	Yes	Yes			633.0	F	321.4	F
				EB	266.6	F	40.4	D	253.4	F	43.0	D	-13.2	2.6	Yes	No			97.2	F	41.1	D
10	Chrysler Drive/Jefferson Drive-East Driveway	Menlo Park	HCM TWSC		76.5	F	22.2	C	117.8	F	36.0	E	41.3	13.8	Yes	Yes	Yes	Yes	19.9	B	26.0	C
11	Chrysler Drive/Independence Drive	Menlo Park	HCM TWSC		47.9	E	17.8	C	60.5	F	18.5	C	12.6	0.7	Yes	No	Yes	Yes	15.5	B	18.7	B
12	Chilco Street/Bayfront Expressway	Menlo Park/State	HCM Signal		71.9	E	113.7	F	71.9	E	114.6	F	0.0	0.9	Yes	Yes	No	No				
				NB	138.1	F	337.5	F	138.1	F	337.5	F	0.0	0.0	Yes	Yes						

**Table 4.14-10. Cumulative (2040) Peak Hour Intersection Level of Service**

No.	Intersection	Jurisdiction	LOS Method	Critical Approach	Cumulative (2040)				Cumulative (2040) plus Project				Change in Avg. Delay		Inconsistent w/City Standards? <sup>1</sup>		Inconsistent w/TIA Guidelines? <sup>2</sup>		Cumulative (2040) plus Project w/Improvements			
					AM Peak		PM Peak		AM Peak		PM Peak		AM	PM	AM	PM	AM	PM	AM Peak		PM Peak	
					Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS	Avg. Delay	LOS
13	Chilco Street/Constitution Drive	Menlo Park	HCM Signal		87.1	F	201.4	F	87.6	F	202.8	F	0.5	1.4	Yes	Yes	No	Yes	N/A	N/A	116.4	F
				NB	106.4	F	264.7	F	106.6	F	272.0	F	0.2	7.3	Yes	Yes			N/A	N/A	191.8	F
14	Willow Road/Bayfront Expressway	Menlo Park/State	HCM Signal		187.2	F	159.3	F	186.6	F	163.1	F	-0.6	3.8	Yes	Yes	No	Yes	N/A	N/A	-3	-3
				NB	379.9	F	255.0	F	373.7	F	253.8	F	-6.3	-1.2	Yes	Yes			N/A	N/A	-3	-3
				SB	60.6	E	387.4	F	60.8	E	421.4	F	0.2	34.0	Yes	Yes			N/A	N/A	-3	-3
15	University Avenue/Bayfront Expressway	Menlo Park/State	HCM Signal		13.2	B	141.2	F	13.2	B	141.7	F	0.0	0.5	No	Yes	No	No				
				NB	N/A	N/A	162.3	F	N/A	N/A	162.2	F	N/A	N/A	No	Yes						
D1	Southwest Driveway/Independence Drive	Menlo Park	HCM TWSC		N/A				11.2	B	11.3	B	N/A		No	No	No	No				
D2	Southeast Driveway/Independence Drive	Menlo Park	HCM TWSC		N/A				10.8	B	11.0	B	N/A		No	No	No	No				
D3	North Driveway/Constitution Drive	Menlo Park	HCM TWSC		N/A				17.6	C	12.1	B	N/A		No	No	No	No				

**Notes: Bold** – Exceeds LOS threshold

TWSC = two-way stop control; LOS reported for the movement with highest delay; NB = northbound; EB = eastbound; SB - southbound

N/A = not applicable – critical approach information is not relevant. Critical approach information is relevant where the proposed project would increase delay over the City’s LOS thresholds.

<sup>1</sup> Inconsistency with City standards is provided for informational purposes only to determine whether intersection LOS meets General Plan standards.

<sup>2</sup> The City’s TIA guidelines indicate that intersections with deficient LOS may result in "...a project [being] considered potentially noncompliant with local policies." The City has discretion to allow LOS to be exceeded in order to achieve other Circulation Element goals and policies.

<sup>3</sup> TIF improvements include adaptive traffic signal coordination along the Bayfront Expressway corridor which is likely to improve LOS operations; however, LOS is unable to be quantified at this time. Additionally, physical intersection improvements are considered infeasible due to right-of-way (ROW) constraints.

**Table 4.14-11. Summary of Recommended Improvement Measures**

No.	Intersection	Jurisdiction	Near Term (2025) Plus Project	Cumulative (2040) Plus Project	Improvement in TIF Fee Program? <sup>a</sup>	Project Responsibility
1	Marsh Road/Bayfront Expressway	Menlo Park/State	Modify signal phasing for eastbound right-turning movements to overlap phasing.  c	Same	No	Design/Installation
9	Chrysler Drive/Constitution Drive	Menlo Park	Widen and reconfigure eastbound approach to one eastbound left-turn lane, one eastbound through lane, and one eastbound right-turn lane. c	Same	No	Design/Installation
10	Chrysler Drive/Jefferson Drive-East Driveway	Menlo Park	Install a traffic signal <sup>d</sup>	Same	Yes - Menlo Gateway Mitigation	Design/Installation
11	Chrysler Drive/Independence Drive	Menlo Park	Install a traffic signal <sup>d</sup>	Same	Yes - Chrysler Drive Intersection Improvements	Design/Installation
13	Chilco Street/Constitution Drive	Menlo Park	N/A	Widen and reconfigure eastbound approach to one eastbound left-turn lane, one eastbound through lane, and one eastbound right-turn lane c	No	Fair Share (0.54%)
				Widen and reconfigure westbound approach to one westbound left-turn lane, one westbound through lane, and one westbound right-turn lane c	No	Fair Share (0.54%)
				Modify signal phasing for east and westbound left-turning movements to protected-permitted phasing	No	Fair Share (0.54%)

**Table 4.14-11. Summary of Recommended Improvement Measures**

No.	Intersection	Jurisdiction	Near Term (2025) Plus Project	Cumulative (2040) Plus Project	Improvement in TIF Fee Program? <sup>a</sup>	Project Responsibility
14	Willow Road/Bayfront Expressway	Menlo Park/State	Widen the eastbound approach with an additional through lane. Widen the northbound approach with an additional left-turn lane. These physical improvements would not be feasible. <sup>ee</sup>	Same <sup>e</sup>	Yes - Bayfront Expressway Multimodal Corridor Project	Design/Installation

**Notes:** <sup>a</sup> Improvements included in City of Menlo Park Transportation Impact Fee (TIF) program and noted in the City of Menlo Park TIF Nexus Study (January 3, 2020). <sup>b</sup> Identifies either the project's responsibility to construct an improvement or contribute fair share towards the implementation of improvements outside of payment to the TIF program. Project responsibility and improvements will be determined in the project's conditions of approval. <sup>c</sup> May require right-of-way (ROW) acquisition and/or relocation of utilities and/or mature trees. This approach is also along private ROW. <sup>d</sup> MUTCD peak hour signal warrants are not met under either the 2025 or 2040 conditions with the addition of project traffic; however, signalization is recommended due to the volume of vehicles approaching on minor streets and potential for queuing along stop-controlled approaches. Additionally, signalization is included as part of the noted TIF projects at these intersections in the City of Menlo Park TIF Nexus Study. <sup>e</sup> TIF improvements include adaptive traffic signal coordination along the Bayfront Expressway corridor which is likely to improve LOS operations; however, LOS is unable to be quantified at this time. Additionally, physical intersection improvements are considered infeasible due to ROW constraints for both the eastbound approach and the northbound approach.

**Tables outlining the potential improvements for intersections exceed the Level-Of-Service thresholds**

**Potential Improvements to Return Intersections Exceeding LOS Thresholds for Near-Term (2025) Plus Project Conditions and Cumulative (2040) Plus Project to Pre-Project Conditions**

Intersection and Jurisdiction	Affected Peak Hour Period	Improvement Type for Near Term (2025) Plus Project	Improvement Type for Cumulative (2040) Plus Project	TIA Reference	Staff's Preliminary Feasibility Determination
#1 Marsh Road/Bayfront Expressway (State)	AM and PM	Modify signal phasing for eastbound (haven Avenue) right-turning movements to overlap phasing	Same	Pages: 54,55, 63, 64, 71, 72	Low: Conflicts with TIF program improvements.
#9: Chrysler Drive and Constitution Drive (Menlo Park)	AM and PM	Widen and reconfigure eastbound (Constitution Drive) approach to one eastbound left-turn lane, one eastbound through lane, and one eastbound right-turn lane	Same	Pages: 54,55, 63, 64, 71, 72	Low: Improvements likely requires roadway widening/ROW acquisition
#10: Chrysler Drive and Jefferson Drive-East Driveway (Menlo Park)	AM for Near Term (2025) Plus project condition and AM and PM for Cumulative (2040) Plus Project condition	Install a traffic signal	Same	Pages: 54,55, 63, 64, 71, 72	High: Included in the City's TIF program.
#11: Chrysler Drive and Independence Drive (Menlo Park)	AM and PM for Near Term (2025) Plus project condition and AM for Cumulative (2040) Plus Project condition	Install a traffic signal	Same	Pages: 54,55, 63, 64, 71, 72	High: Included in the City's TIF program.
#13: Chilco Street and Constitution Drive (Menlo Park)	AM and PM for only Cumulative (2040) Plus Project condition	none	Widen and reconfigure eastbound (Constitution Drive) approach to on eastbound left-turn lane, one eastbound through lane, and one eastbound right-turn lane; Widen and reconfigure westbound approach to one westbound left-turn lane, one westbound through lane, and one westbound right-turn lane; Modify	Pages: 63,64, 71, 72	High: The project's fair share percent is approximately 0.54% for all three improvements

			signal phasing for east and westbound left-turning movements to protected-permitted phasing		
#14: Willow Road and Bayfront Expressway (State)	AM and PM	Widen the eastbound (Bayfront Expressway) approach with an additional through lane; widen the northbound approach with an additional left-turn lane	Same	Pages: 54,55, 63, 64, 71, 72	Low: Improvements likely requires roadway widening/ROW acquisition and will need Caltrans approval.

## Proposed Apartment/Townhouse Development Site

123 Independence Drive  
Menlo Park, San Mateo County, CA 94025

NKF Job No.: 21-0132828-1

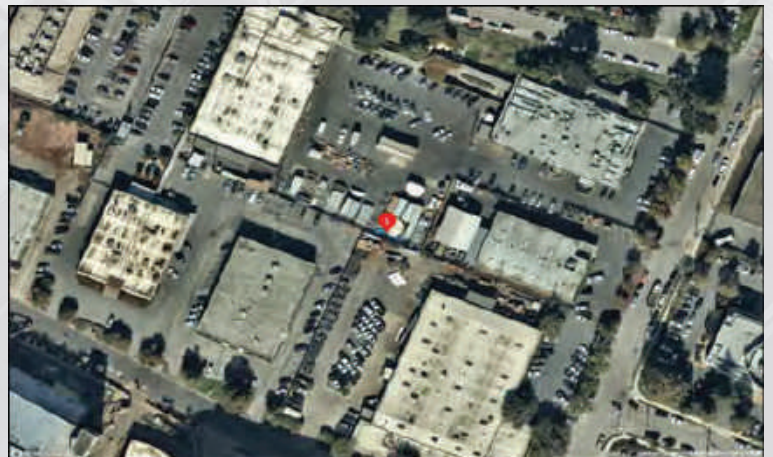
### Appraisal Report Prepared For:

Sierra Sousa  
Development Associate  
The Sobrato Organization  
599 Castro Street  
Mountain View, CA 94041



### Prepared By:

**Newmark Knight Frank**  
Valuation & Advisory, LLC  
2950 S. Delaware Street, Suite 125  
San Mateo, CA 94403





November 23, 2022

Sierra Sousa  
Development Associate  
The Sobrato Organization  
599 Castro Street  
Mountain View, CA 94041

RE: Appraisal of Land located at 123 Independence Drive, Menlo Park, San Mateo County, CA 94025, prepared by Newmark Knight Frank Valuation & Advisory, LLC (herein "Firm" or "NKF")

NKF Job No.: 21-0132828-1

Dear Ms. Sousa:

The "Subject Property" is an 8.15-acre development site. The parcel numbers for the subject site are 055-236-140, 180, 240, 280 & 300. A tentative map describing the site is included the addenda of this report. This report provides a value of the community amenities under bonus level zoning for this site. The appraisal instructions for determining this value are included in the addenda of this report.

A total of 116 townhomes (for sale condominiums) and 316 apartments (for rent) are planned for the site. The City of Menlo Park indicates that 476,962 square feet of building area is planned for the site. A detailed summary of the site and development plans follows:

The Sobrato Organization is pleased to propose 123 Independence, a mixed-residential project, which will deliver 116 townhomes and 316 residential apartment units to the R-MU (Residential Mixed-use) Zoning District within the ConnectMenlo General Plan. 123 Independence will deliver a vibrant community bringing essential housing to the area.

123 Independence spans over five existing connected parcels at Highway 101 and Highway 84, bounded by Chrysler, Independence, and Constitution Drives. The project proposes to demolish five existing office/industrial buildings (approximately 103,000 SF) to create five new Lots: 1 & A, B, C, and D. Lot 1 is a public paseo running north to south, as well as a public park of approximately 0.3-acre size. Lot A is a 5-story apartment building with stoops along Constitution Drive and pedestrian walkways. Lots B, C, and D are 3-story townhome communities that will be subdivided via condominium mapping and will be oriented to the public streets, the neighborhood park, the paseo, and other common green spaces. As designed, there will be a variety of product types and contemporary architectural designs. The proposed site design accommodates sea-level rise, and all proposed ground-level residential units are raised 2 feet above the FEMA floodplain.

123 Independence includes an on-site public connection, Lot 1, that establishes a pedestrian walkway to the greater neighborhood network. This paseo leads to a centrally located public park, which provides a central recreation and gathering space. Public frontages on Independence Drive and Constitution Drive are activated with residential stoops, lobbies, leasing office, and residential amenities.

The architectural language of the apartments and townhomes is warm and modern to meet both residential use and fit within the context of the surrounding commercial buildings. The building composition creates a very urban relationship to the street, as envisioned in the General Plan, with over 60% of built-to area for all street frontages. Lot A is Type V-A/I-A construction over podium parking. Lots B, C, and D are designed as Type V-A construction with private tuck-under 2-car garages.

In compliance with Municipal Code Ordinance No.1026, Bonus-level development is being proposed. Maximum height of the apartments is well under 85-ft above existing grade, and the average height of all buildings is well below 62.5-ft. Floor Area Ratio (FAR) is being calculated across the contiguous Parcels 1 & A, B, C, and D, and correlates with the sliding scale requirements for residential density. Fifteen percent (15%) of the total units onsite will be affordable housing units for Moderate, Low, and Very-Low income households.

<b>TOTAL (432 UNITS)</b>							8.15 ac	
Parcel	BD	BA	SF / Unit	NSF	GSF	Units	% Total	
Lot A	361	361	713	225,299	287,230	316	73.1%	
Lot B	86	102	1,553	49,681	53,714	32	7.4%	
Lot C	60	40	1,165	20,966	23,214	18	4.2%	
Lot D	176	209	1,537	101,460	109,520	66	15.3%	
<b>Total/Average</b>	<b>683</b>	<b>712</b>	<b>920</b>	<b>397,406</b>	<b>473,678</b>	<b>432</b>	<b>26.9%</b>	
<b>Parking Provided</b>				<b>Building Information</b>				
Resident Parking	543			Density (DU/AC)	53			
Guest Parking	47			Total units	432			
Total Parking	590			FAR	133%			
Parking/DU	1.37			Total Residential GSF (AC x FAR)	473,678			
Parking/BD	0.86			GSF/Unit	1,096			
<b>Bicycle Parking Provided / Apartments</b>				<b>Bicycle Parking Provided / Townhomes</b>				
Long Term Bike parking	474			Long Term Bike parking	174			
Short-term Bike Parking	48			Short-term Bike Parking	18			
Total Parking	522			Total Parking	192			
Parking/DU	1.65			Parking/DU	1.66			
<b>R-MU FAR gradient linked to Density</b>								
Density (DU/AC)	30		40	50	53			
Total units allowed (DU x site area (AC))	245		326	408	432			
FAR allowed at given Density (per 16.XX.050)	90%		109%	129%	134%			
Total Residential GSF allowed (AC x FAR)	319,513		387,980	456,447	476,987			
GSF/Unit allowed	1,307		1,190	1,120	1,104			

### COVID-19 Pandemic

The COVID-19 Pandemic has had a significant impact on the economy and, by extension, real estate markets. Commercial real estate is transforming and adapting with some similarities and some differences to previous crises. As the Pandemic has progressed, there has been greater clarity about the effects through metric and transactional data as well as market participant information and expectations. Although transactional data is hard to come by, month over month sales volumes are turning positive – they are just still significantly depressed as evidenced by 2nd Quarter U.S. sales volume decreasing 68% from the same period last year according to Real Capital Analytics. Available data and analyses are contained within this appraisal report and are a foundation to the appraisal. Effects and projections related to COVID-19 will be addressed throughout the report.

Based on the analysis contained in the following report, the opinions of value for the subject are:



<b>Value Conclusions</b>			
<b>Appraisal Premise</b>	<b>Interest Appraised</b>	<b>Date of Value</b>	<b>Value Conclusion</b>
Land Value at the Bonus Level	Fee Simple	1/8/2022	\$88,200,000
Land Value at the Base Level	Fee Simple	1/8/2022	\$81,500,000
Value of the Additional GFA Proposed	Fee Simple	1/8/2022	\$6,700,000
Value of the Amenity	Fee Simple	1/8/2022	\$3,350,000

*Compiled by NKF*

### **Extraordinary Assumptions**

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

### **Hypothetical Conditions**

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. We are not giving consideration to the improvements on the site as per the City of Menlo Park Appraisal Instructions
2. The bonus level land value conclusion does not consider the community amenities requirement per the City of Menlo Park Appraisal Instructions
3. The value conclusions under each scenario are based on the hypothetical assumption that the project is fully entitled at the stated development density per the City of Menlo Park Appraisal Instructions

The use of these hypothetical conditions might have affected assignment results.

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

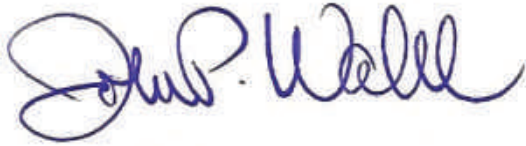


## Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of California.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, John Walsh, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
12. John Walsh, MAI, MRICS made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Within this report, "Newmark Knight Frank", "NKF Valuation & Advisory", "NKF, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.
16. John Walsh, MAI, MRICS has prepared two appraisals of the subject property for the current client within the three-year period immediately preceding the agreement to perform this assignment. John Walsh, MAI, MRICS has performed no other services, as an appraiser or in any other capacity, regarding the subject property during this time period.





John Walsh, MAI, MRICS  
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Certified General Real Estate Appraiser  
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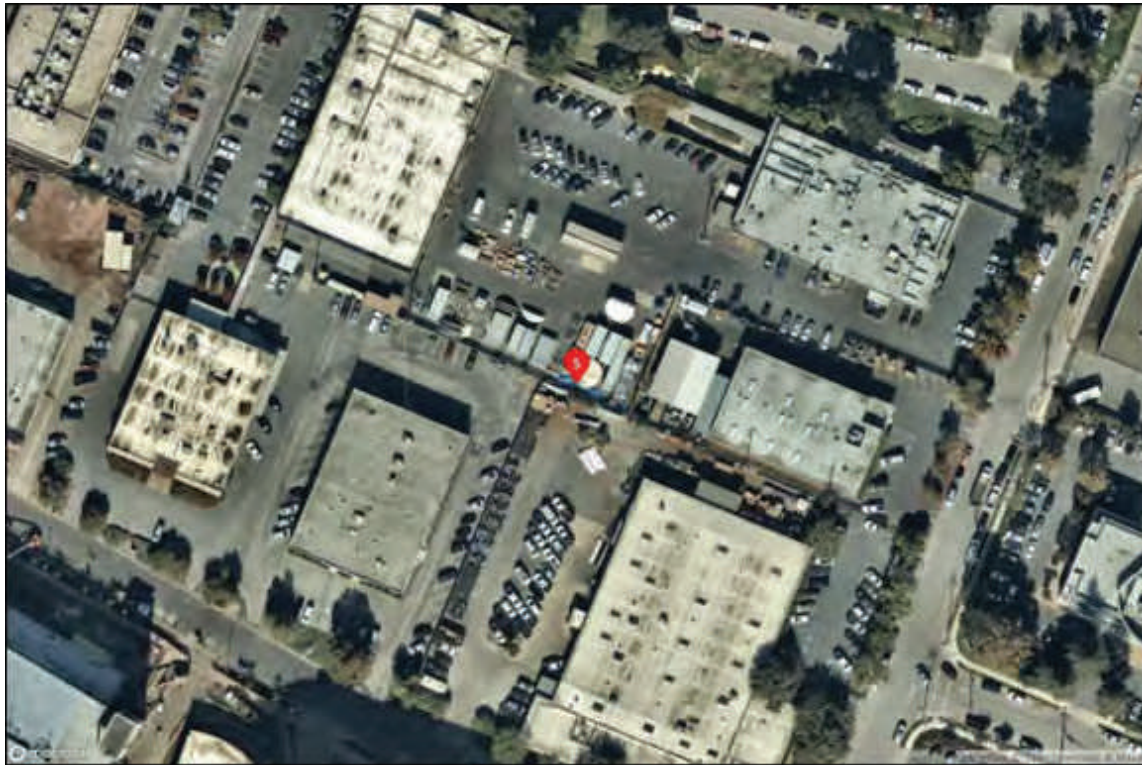
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## **Appraisal Transmittal and Certification**

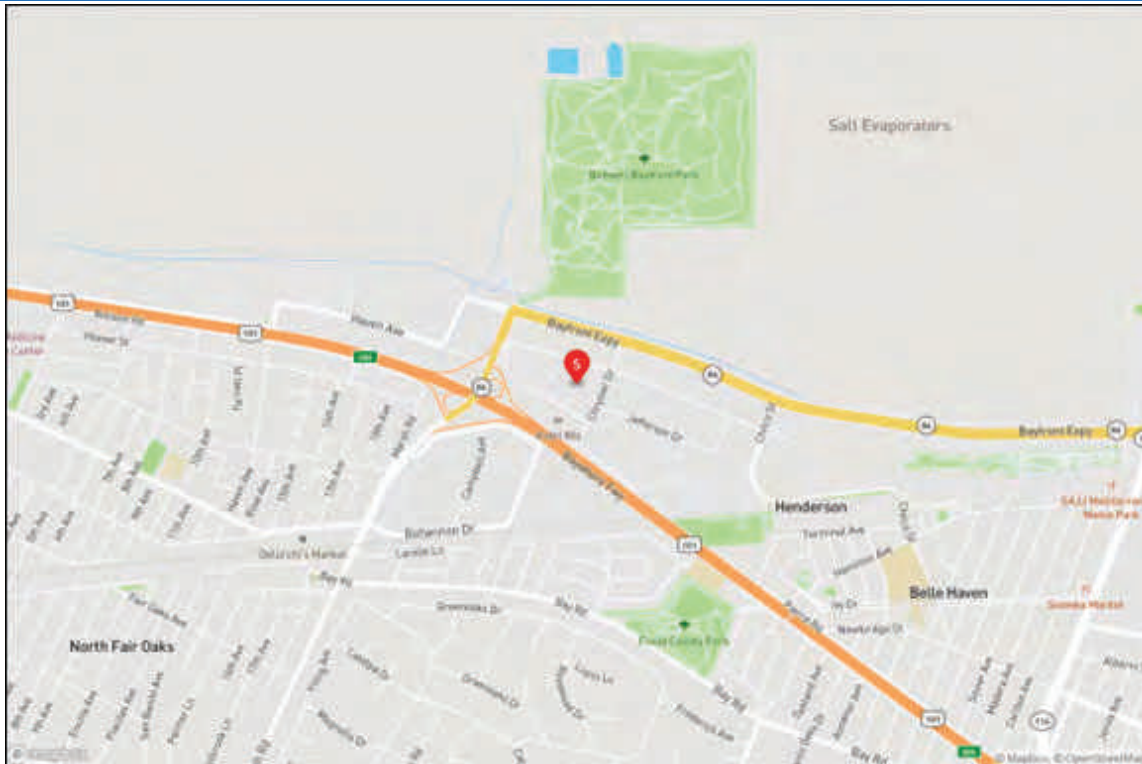
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Aerial Photo



Location Map





*Property Photo*



*Property Photo*



*Property Photo*



*Property Photo*



*Property Photo*



*Property Photo*







*Property Photo*



*Property Photo*



*Property Photo*



# Executive Summary

## Proposed Apartment/Townhouse Development Site

Property Type:	Land-MF Residential
Street Address:	123 Independence Drive
City, State & Zip:	Menlo Park, San Mateo County, CA 94025
Number of Units:	432
Land Area:	8.150 acres; 355,014 SF
Zoning:	R-MU-B
Highest and Best Use - As Vacant:	A Multifamily Use

## Analysis Details

Valuation Dates:	
Land Value at the Bonus Level	January 8, 2022
Land Value at the Base Level	January 8, 2022
Value of the Additional GFA Proposed	January 8, 2022
Value of the Amenity	January 8, 2022
Inspection Date and Date of Photos:	January 8, 2022
Report Date:	November 23, 2022
Report Type:	Appraisal Report
Client:	The Sobrato Organization
Intended Use:	Internal Business Decisions
Intended User:	The Sobrato Organization and the City of Menlo Park
Appraisal Premise:	Land Value at the Bonus Level, Land Value at the Base Level
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Fee Simple
Exposure Time (Marketing Period) Estimate:	6 Months (6 Months)

*Compiled by NKF*

## Valuation Summary

<b>Value of the Amenity</b>	<b>\$3,350,000</b>
-----------------------------	--------------------

*Compiled by NKF*



### Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. We are not giving consideration to the improvements on the site as per the City of Menlo Park Appraisal Instructions
2. The bonus level land value conclusion does not consider the community amenities requirement per the City of Menlo Park Appraisal Instructions
3. The value conclusions under each scenario are based on the hypothetical assumption that the project is fully entitled at the stated development density per the City of Menlo Park Appraisal Instructions

The use of these hypothetical conditions might have affected assignment results.

*Compiled by NKF*



# Introduction

## Ownership History

The current owner is The Sobrato Organization. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

### Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale
Current or Pending Contract:	None Reported
Sales in the Previous Three Years:	None

*Compiled by NKF*

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

## Intended Use and User

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- ❌ The intended use of the appraisal is for Internal Business Decisions related to obtaining development approvals with the City of Menlo Park and no other use is permitted.
- ❌ The client is The Sobrato Organization.
- ❌ The intended user is The Sobrato Organization and the City of Menlo Park and no other user is permitted by any other party for any other purpose.

## Definition of Value

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this

definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- ❖ Buyer and seller are typically motivated;
- ❖ Both parties are well informed or well advised, and acting in what they consider their own best interests;
- ❖ A reasonable time is allowed for exposure in the open market;
- ❖ Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- ❖ The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

*(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)*

## Interest Appraised

The appraisal is of the Fee Simple interest.<sup>1</sup>

- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

## Appraisal Report

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

## Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the Value of the Amenity of the Fee Simple Interest in the property.

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<sup>1</sup> The Dictionary of Real Estate, 6<sup>th</sup> Edition, Appraisal Institute



## Purpose of the Appraisal

Appraisal Premise	Interest Appraised	Date of Value
Land Value at the Bonus Level	Fee Simple	1/8/2022
Land Value at the Base Level	Fee Simple	1/8/2022
Value of the Additional GFA Proposed	Fee Simple	1/8/2022
Value of the Amenity	Fee Simple	1/8/2022

*Compiled by NKF*

## Scope of Work

### Extent to Which the Property is Identified

- ❑ Physical characteristics
- ❑ Legal characteristics
- ❑ Economic characteristics

### Extent to Which the Property is Inspected

NKF inspected the subject property on January 8, 2022 as per the defined scope of work. John Walsh, MAI, MRICS made a personal inspection of the property that is the subject of this report.

### Type and Extent of the Data Researched

- ❑ Exposure and marking time;
- ❑ Neighborhood and land use trends;
- ❑ Demographic trends;
- ❑ Market trends relative to the subject property type;
- ❑ Physical characteristics of the site and applicable improvements;
- ❑ Flood zone status;
- ❑ Zoning requirements and compliance;
- ❑ Real estate tax data;
- ❑ Relevant applicable comparable data; and
- ❑ Investment rates

### Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.



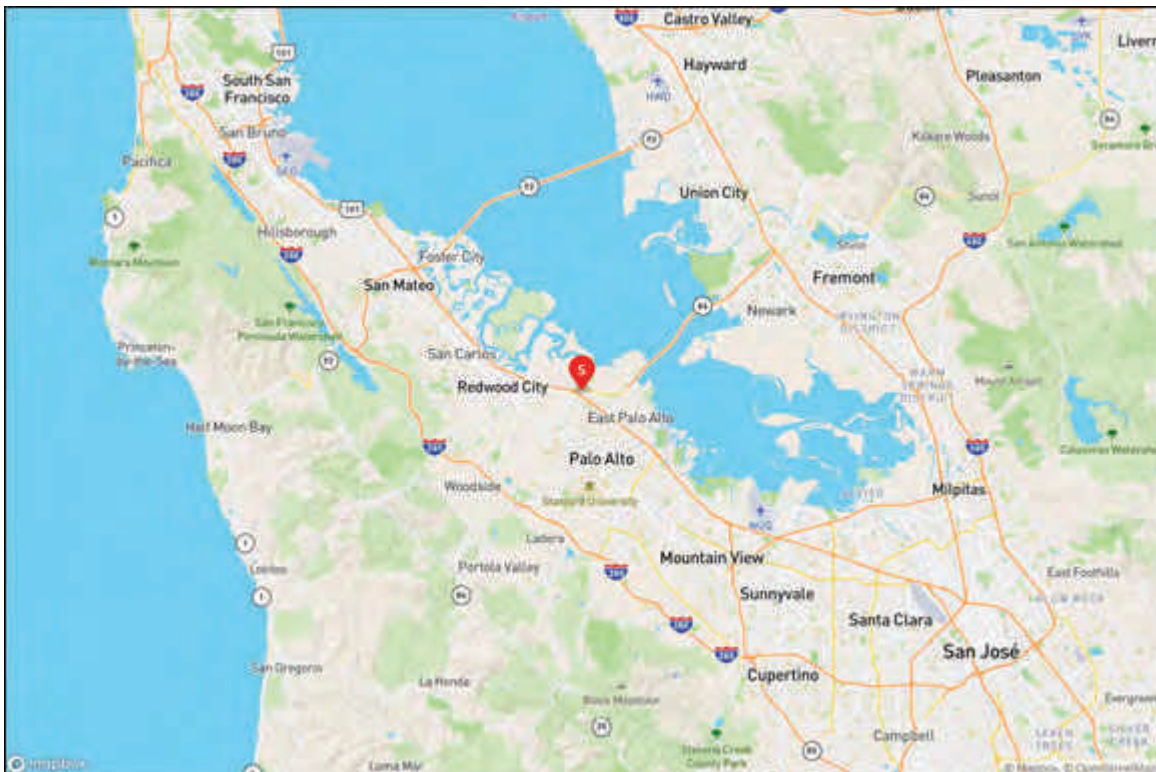
# Economic Analysis

## The Impact of COVID-19

It is well known that the past several months have been volatile. Real estate market volatility has resulted from the COVID-19 pandemic as well as other events such as oil price declines. Every day, there is greater clarity about the effects and expectations as evidenced by transaction activity, various data sources, and market participants. We have continuously reached out to brokers and other market participants to understand how the market is reacting.

Most of our major data sources, such as Moody's economy.com, include both COVID-19 pandemic period data and projections inclusive of its effects. This data is included within this section as well as throughout this report and is a central foundation of our analysis. There are an increasing number of transactions occurring and these are providing indications of trends.

## Area Analysis



Area Map

The subject is located within Menlo Park and San Mateo County, California. It is part of the San Francisco-Redwood City-South San Francisco metro area (San Francisco MSA).

Moody's Analytics' Economy.com provides the following economic summary for the San Francisco MSA as of March, 2021.

Moody's Analytics Précis® Metro Indicators: San Francisco Metro												
2015	2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025	2026
187.2	200.5	216.0	229.9	246.0	236.4	Gross metro product (C12\$ bil)	249.9	270.8	280.6	289.4	296.6	303.5
8.0	7.1	7.8	6.4	7.0	-3.9	% change	5.7	8.3	3.6	3.1	2.5	2.3
1,038.5	1,080.2	1,104.4	1,136.8	1,177.8	1,072.7	Total employment (ths)	1,077.7	1,140.6	1,170.9	1,188.2	1,198.2	1,206.6
4.8	4.0	2.2	2.9	3.6	-8.9	% change	0.5	5.8	2.7	1.5	0.8	0.7
3.5	3.2	2.8	2.4	2.1	7.2	Unemployment rate (%)	4.8	2.4	1.7	1.8	2.2	2.3
10.1	6.6	8.3	8.8	4.5	-0.2	Personal income growth (%)	7.6	4.6	7.1	7.1	6.1	6.0
98.3	105.2	112.1	120.3	130.4	131.4	Median household income (\$ ths)	137.6	142.2	149.6	157.6	165.1	172.9
1,628.1	1,639.4	1,646.9	1,649.4	1,648.1	1,657.3	Population (ths)	1,668.7	1,679.7	1,690.8	1,701.8	1,712.4	1,722.8
1.3	0.7	0.5	0.1	-0.1	0.6	% change	0.7	0.7	0.7	0.7	0.6	0.6
12.3	3.7	0.4	-3.7	-6.9	3.1	Net migration (ths)	5.4	4.9	5.1	5.2	5.0	4.9
626	550	405	348	376	366	Single-family permits (#)	671	1,082	1,339	1,341	1,332	1,258
4,659	5,512	5,211	5,946	4,176	2,408	Multifamily permits (#)	2,973	2,772	3,519	3,720	3,751	3,539
357	389	408	446	444	427	FHFA house price (1995Q1=100)	420	452	501	570	639	703

Source: Moody's Analytics Précis® US Metro

Moody's summarizes the area's economic performance in recent months as follows:

### Recent Performance

San Francisco MSA is down but not out. Barely a quarter of lost jobs have been recovered, well below the state average, which is itself a laggard. However, key drivers such as professional services and information are adding jobs. The metro division has recently moved into the third stage of the state's four-tier reopening process, and its share of vaccinated residents is among the highest in the country. Multifamily housing permits have bounced back to near their pre-pandemic pace, and single-family permits have been on an upward trajectory for several months.

### Market Comparison

The following table illustrates key economic indicators and a comparison of the San Francisco MSA to the regional grouping as a whole. As indicated, San Francisco is projected to outperform the West Region Metros in seven of eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - San Francisco Metro Metro to West Region										
Indicator	San Francisco Metro			Annual Growth		West Region Metros			Annual Growth	
	2015	2020	2025	2015 - 2020	2020 - 2025	2015	2020	2025	2015 - 2020	2020 - 2025
Gross metro product (C12\$ bil)	200.5	249.9	303.5	4.5%	4.0%	4,314	4,844	5,814	2.3%	3.7%
Total employment (ths)	1,080.2	1,077.7	1,206.6	0.0%	2.3%	32,023	32,850	35,894	0.5%	1.8%
Unemployment rate (%)	3.2%	4.8%	2.3%			5.7%	9.2%	4.8%		
Personal income growth (%)	6.6%	7.6%	6.0%			6.8%	6.0%	5.1%		
Population (ths)	1,639.4	1,668.7	1,722.8	0.4%	0.6%	75,743	78,939	81,916	0.8%	0.7%
Single-family permits (#)	550	671	1,258	4.0%	13.4%	160,707	221,687	333,584	6.6%	8.5%
Multifamily permits (#)	5,512	2,973	3,539	-11.6%	3.5%	116,528	128,243	142,057	1.9%	2.1%
FHFA house price (1995Q1=100)	389	420	703	1.6%	10.8%	452	612	719	6.2%	3.3%
San Francisco Metro outperforming West Region Metros										
San Francisco Metro underperforming West Region Metros										

Source: Moody's Analytics Précis® US Metro; Compiled by NKF



## Employment Sectors and Trends

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

Current Employment by Occupation Sector										
Occupation Sector	94025		Menlo Park City		San Mateo County		San Francisco-Oakland-Berkeley, CA MSA		California	
	<b>White Collar</b>	<b>18,810</b>	<b>82.7%</b>	<b>15,071</b>	<b>84.1%</b>	<b>297,855</b>	<b>72.9%</b>	<b>1,758,920</b>	<b>73.1%</b>	<b>11,580,421</b>
Administrative Support	1,269	5.6%	920	5.1%	40,057	9.8%	225,260	9.4%	1,955,983	10.8%
Management/Business/Financial	6,311	27.8%	4,963	27.7%	98,245	24.0%	569,889	23.7%	3,318,432	18.3%
Professional	9,532	41.9%	7,870	43.9%	123,887	30.3%	758,471	31.5%	4,611,876	25.5%
Sales and Sales Related	1,698	7.5%	1,318	7.4%	35,666	8.7%	205,300	8.5%	1,694,130	9.4%
<b>Services</b>	<b>2,184</b>	<b>9.6%</b>	<b>1,658</b>	<b>9.3%</b>	<b>54,704</b>	<b>13.4%</b>	<b>316,086</b>	<b>13.1%</b>	<b>2,768,509</b>	<b>15.3%</b>
<b>Blue Collar</b>	<b>1,741</b>	<b>7.7%</b>	<b>1,194</b>	<b>6.7%</b>	<b>56,039</b>	<b>13.7%</b>	<b>329,972</b>	<b>13.7%</b>	<b>3,746,712</b>	<b>20.7%</b>
Construction/Extraction	826	3.6%	505	2.8%	15,218	3.7%	93,582	3.9%	901,454	5.0%
Farming/Fishing/Forestry	17	0.1%	13	0.1%	1,072	0.3%	4,505	0.2%	266,802	1.5%
Installation/Maintenance/Repair	148	0.7%	106	0.6%	7,274	1.8%	40,815	1.7%	437,054	2.4%
Production	270	1.2%	190	1.1%	9,727	2.4%	62,106	2.6%	768,621	4.2%
Transportation/Material Moving	480	2.1%	380	2.1%	22,748	5.6%	128,964	5.4%	1,372,781	7.6%
<b>Total Employees (16+ Occupation Base)</b>	<b>22,735</b>	<b>100.0%</b>	<b>17,923</b>	<b>100.0%</b>	<b>408,598</b>	<b>100.0%</b>	<b>2,404,978</b>	<b>100.0%</b>	<b>18,095,642</b>	<b>100.0%</b>

Source: ESRI; Compiled by NKF

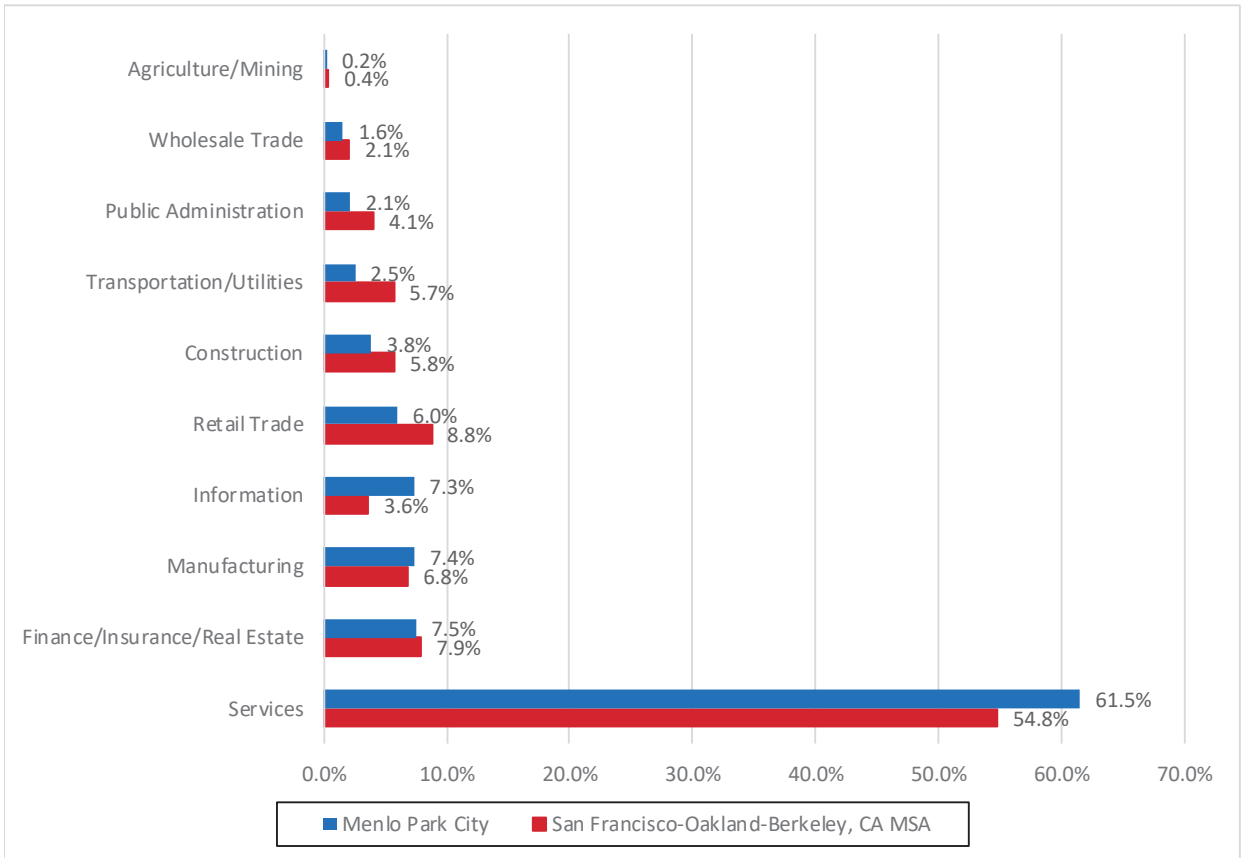
Current Employment by Industry Sector										
Industry Sector	94025		Menlo Park City		San Mateo County		San Francisco-Oakland-Berkeley, CA MSA		California	
	Agriculture/Mining	57	0.3%	39	0.2%	2,052	0.5%	9,885	0.4%	402,905
Construction	1,038	4.6%	689	3.8%	22,692	5.6%	138,300	5.8%	1,236,406	6.8%
Manufacturing	1,706	7.5%	1,323	7.4%	28,371	6.9%	164,545	6.8%	1,567,303	8.7%
Wholesale Trade	351	1.5%	281	1.6%	8,443	2.1%	50,494	2.1%	487,645	2.7%
Retail Trade	1,365	6.0%	1,072	6.0%	36,835	9.0%	210,847	8.8%	1,818,261	10.0%
Transportation/Utilities	578	2.5%	455	2.5%	28,088	6.9%	137,473	5.7%	1,093,654	6.0%
Information	1,552	6.8%	1,315	7.3%	15,983	3.9%	87,751	3.6%	495,228	2.7%
Finance/Insurance/Real Estate	1,667	7.3%	1,342	7.5%	31,908	7.8%	190,040	7.9%	1,155,716	6.4%
Services	13,919	61.2%	11,024	61.5%	218,646	53.5%	1,318,051	54.8%	8,900,763	49.2%
Public Administration	502	2.2%	384	2.1%	15,580	3.8%	97,592	4.1%	937,761	5.2%
<b>Total Employees (16+ Occupation Base)</b>	<b>22,735</b>	<b>100.0%</b>	<b>17,923</b>	<b>100.0%</b>	<b>408,598</b>	<b>100.0%</b>	<b>2,404,978</b>	<b>100.0%</b>	<b>18,095,642</b>	<b>100.0%</b>

Source: ESRI; Compiled by NKF

Comparing the industry sectors for the local market area (Menlo Park City) to San Francisco-Oakland-Berkeley, CA MSA indicates the local market area is somewhat more heavily weighted toward the Services, Information, and Manufacturing sectors. By contrast, the industry employment totals for San Francisco-Oakland-Berkeley, CA MSA indicate somewhat higher proportions within the Transportation/Utilities, Retail Trade, Public Administration, Construction, Wholesale Trade, Finance/Insurance/Real Estate, and Agriculture/Mining sectors. The following graphic further illustrates this comparison.



**Employment Comparison**



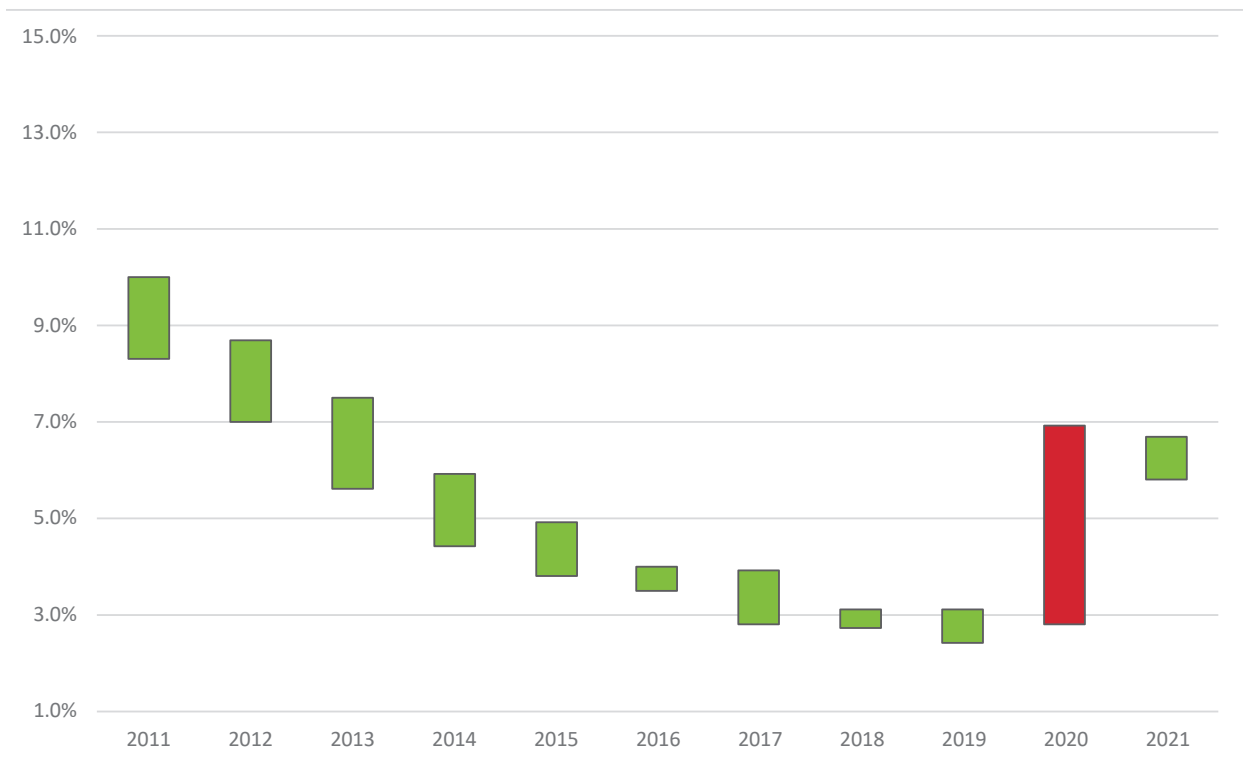
Source: ESRI; Compiled by NKF

**Unemployment**

The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics. The most recent reported unemployment rate for the San Francisco-Oakland-Hayward, CA Metropolitan Statistical Area is 5.8% (April 2021).



**Unemployment Rate: San Francisco-Oakland-Hayward, CA Metropolitan Statistical Area**



Bars represent beginning to end range of unemployment rates in each year  
 Red bars denote increasing unemployment from beginning to end of year  
 Green bars are declining unemployment from beginning to end of year

*Compiled by NKF*

**Major Employers**

The following table lists a number of major employers with the San Francisco MSA as reported by Moody’s. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.



<b>Selected Major Employers: San Francisco Metro</b>		
<b>Rank</b>	<b>Employer</b>	<b>Employees</b>
1	University of California, San Francisco	34,690
2	Salesforce.com Inc.	9,100
3	Wells Fargo	7,296
4	Kaiser Permanente	6,659
5	United Airlines	6,153
6	Sutter Health	6,134
7	Uber Technologies Inc.	5,500
8	Oracle Corp.	5000-9999
9	Lucile Packard Health Care System	5000-9999
10	Gap Inc.	4,000
11	PG&E Corp.	3,800
12	Gilead Sciences Inc.	1000-4999
13	Facebook Inc.	1000-4999
14	Williams-Sonoma Inc.	1000-4999
15	Visa USA	1000-4999
16	California Pacific Medical Center	1000-4999
17	Genentech Inc.	1000-4999
18	SS&C Advent	1000-4999
19	Ernst & Young LLP	1000-4999
20	San Francisco Marriott	1000-4999

Source: Moody's Analytics Précis® US Metro

## Analysis

Further economic analysis from Moody's is detailed as follows:

### Tech

Tech weathered the past year relatively well and will remain the economy's driving force. Even as some firms, both large and small, opt to relocate to cheaper locales, workforce quality, abundant venture capital, and an entrepreneurial culture will have lasting appeal. California remains the clear national leader in venture capital funding, both in terms of deals and dollars. San Francisco's high-tech employment barely stumbled last year and has already expanded beyond the old peak. Growth has stalled so far in 2021, but lingering weakness will fade as the broader recovery gains steam and confidence improves. Although high costs are undoubtedly a deterrent to some firms, plenty of others are willing to pay a premium for the advantages of doing business in the Bay Area.

### Office Space

Commercial real estate faces headwinds in the aftermath of the pandemic. Stay-at-home orders and working from home have hit demand for office space, and according to CBRE, office vacancy rates are up to 13.3%, more than double the year-ago rate. San Francisco has the highest



concentration of office-using employment in the nation, so if working from home remains commonplace after the pandemic, demand for office space could nosedive. Pair this with the years-long trend of firms leaving the Bay Area for cheaper locales and commercial real estate is in for a rough ride. However, all is not lost. In the first quarter, tenant demand in square feet reached its highest level in a year, an improvement, even if it pales in comparison to demand seen in the last business cycle. Diminished demand may prevent some of the overheating seen at the end of the last business cycle. As vaccination rates rise, more firms will return to the office. So far, several leading employers have already announced plans to do just that, including Wells Fargo, Salesforce and Uber.

### Services

A full recovery of consumer industries will take years. Leisure/hospitality and personal services employment is barely off the mat, whereas nationally, those industries have recouped upwards of 60% of jobs lost. Some businesses will never reopen, and according to the Quarterly Census of Employment and Wages, the rebound in the number of restaurants in San Francisco has yet to begin, in stark contrast with the national recovery. While the broader reopening is underway, there is a lot of ground to recover. Community mobility data from Google show that activity at retail and recreation establishments is still down, more so than the state average and well below the national average. This year will prove better for services, but uncertainty of the timing of herd immunity obscures the outlook.

### Conclusion

#### Positive Attributes

- ❖ Highly educated and skilled workforce.
- ❖ Very high incomes.
- ❖ Expanding cluster of internet and other tech-service companies.

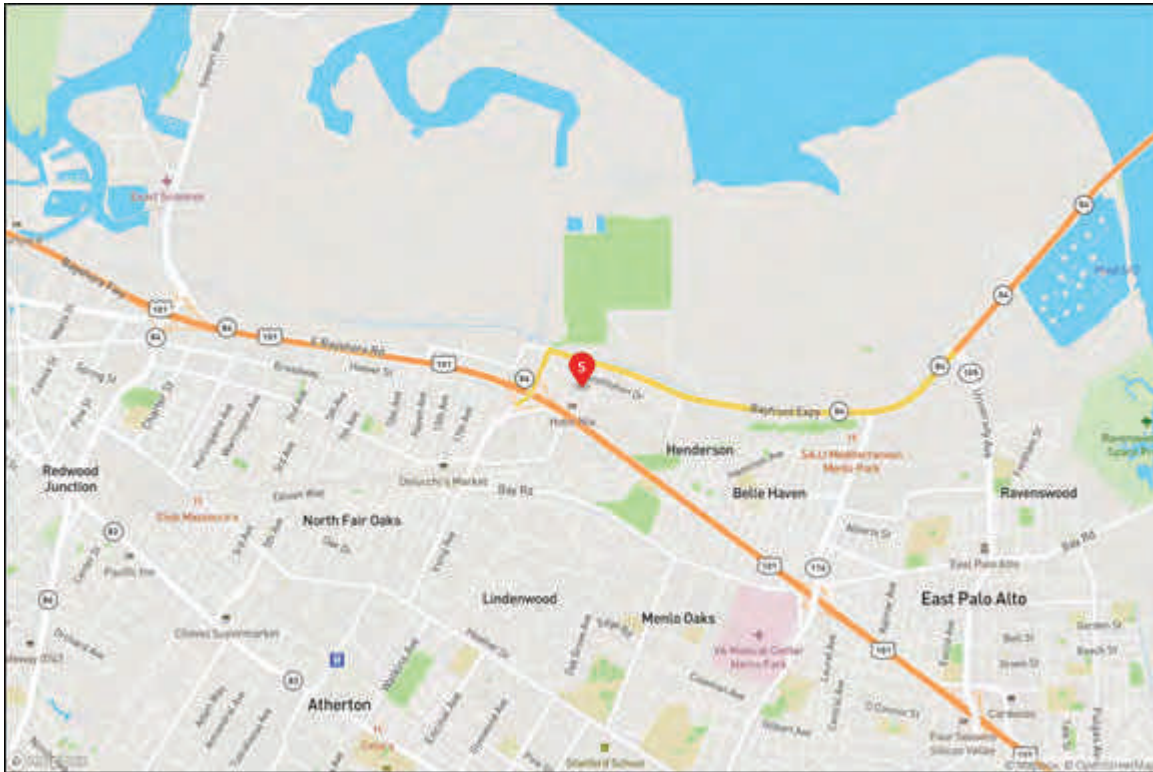
#### Negative Attributes

- ❖ High costs, including housing, office rents and energy.
- ❖ Land constraints and regulations limit construction.

San Francisco MSA's recovery will pick up in the second half of the year. The reopening is barely underway, but once herd immunity is reached, business activity and spending will resume. A legacy of entrepreneurship and tech agglomeration ensures a bright future for San Francisco over the forecast horizon.



## Neighborhood Analysis



Area Map

### Boundaries

Menlo Park is a city located at the eastern edge of San Mateo County within the San Francisco Bay Area of California in the United States. It is bordered by San Francisco Bay on the north and east; East Palo Alto, Palo Alto, and Stanford to the south; and Atherton, North Fair Oaks, and Redwood City to the west.

### Surrounding Area of Influence Trends

#### Description

The City of Menlo Park is located in San Mateo County, midway between the cities of San Francisco and San Jose. It is an area of comparatively high property values and is a vital part of the region commonly referred to as the Silicon Valley. One of its noteworthy neighbors is Stanford University. Many venture capital firms are located in Menlo Park.

The City maintains a healthy balance of residential, commercial and industrial uses. Residential home prices are still among the highest in the area, reflecting the desirability of living in the community. Home to the headquarters of social networking giant Facebook, other major companies that have facilities in Menlo Park include the Rosewood Hotel, Pacific Biosciences, and SRI International. Menlo Park is also home to a major Veterans Affairs medical facility, and

the U.S. Department of Energy-funded SLAC National Accelerator Laboratory.

### **Nuisances or Hazards**

Our observation of the area revealed no evidence of significant nuisances or hazards.

## **Access**

### **Primary Access**

Regional vehicular access to the project site is provided by US Highway 101 (US 101), via the Marsh Road on- and off-ramps located to the west and State Route 84 (SR 84 or the Bayfront Expressway) located to the north. Direct local access is via Independence Drive and Constitution Drive which border the site immediately to the north, west, and south. The Menlo Park and Palo Alto Caltrain stations are located within 3 miles of the site to the south, providing weekday service from San Francisco to Gilroy and weekend service from San Francisco to San Jose.

### **Transportation**

Willow Road and Marsh Road Caltrain shuttle service is available free of charge thanks to efforts by the city, the Peninsula Joint Powers Board, and grant funding. Many commuters use the shuttle service to get to their trains in the morning and evening. The shuttle service also takes commuters through the area's business parks and areas around Highway 101.

SamTrans is the countywide bus system in San Mateo County. Many SamTrans routes connect with Caltrain and/or BART. SamTrans provides service to Downtown San Francisco and San Francisco International Airport as well as connects with VTA at Palo Alto Station.

### **Distance from Key Locations**

Located in the central Peninsula the subject is minutes away from major downtown markets and driving distance to all major transit hubs including the following:

San Francisco Airport (SFO) – 17.5 miles (22-minute drive)

San Jose Airport (SJC) – 18.7 miles (23-minute drive)

The following illustrates the 10-minute drive time from the subject.





### Demographics

A demographic summary for the defined area is illustrated as follows:





Demographic Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	94025	Menlo Park City	San Mateo County	San Francisco-Oakland-Berkeley, CA MSA	California
<b>Population</b>								
2010 Total Population	9,051	107,593	228,021	41,489	32,038	718,451	4,335,391	37,253,956
2021 Total Population	10,003	114,794	238,353	43,844	34,431	741,360	4,641,032	39,476,705
2026 Total Population	10,073	118,240	242,764	44,598	35,192	753,560	4,789,448	40,507,842
Projected Annual Growth %	0.1%	0.6%	0.4%	0.3%	0.4%	0.3%	0.6%	0.5%
<b>Households</b>								
2010 Total Households	2,756	35,645	80,062	15,698	12,352	257,837	1,627,360	12,577,498
2021 Total Households	3,206	38,461	83,779	16,367	13,053	265,976	1,735,591	13,283,432
2026 Total Households	3,236	39,738	85,330	16,630	13,320	270,343	1,790,031	13,615,954
Projected Annual Growth %	0.2%	0.7%	0.4%	0.3%	0.4%	0.3%	0.6%	0.5%
<b>Income</b>								
2021 Median Household Income	\$125,130	\$109,599	\$139,625	\$176,845	\$176,453	\$132,440	\$112,557	\$80,044
2021 Average Household Income	\$192,231	\$171,135	\$196,507	\$231,810	\$232,235	\$177,991	\$158,125	\$113,468
2021 Per Capita Income	\$62,293	\$56,842	\$69,241	\$86,583	\$88,787	\$63,900	\$59,204	\$38,272
<b>Housing</b>								
2021 Owner Occupied Housing Units	50.8%	38.4%	47.8%	53.3%	50.6%	55.8%	51.5%	51.3%
2021 Renter Occupied Housing Units	44.3%	55.1%	46.4%	40.4%	43.5%	38.9%	42.6%	40.8%
2021 Median Home Value	\$1,353,635	\$1,491,085	\$1,784,766	\$2,000,001	\$2,000,001	\$1,260,277	\$952,431	\$625,650
Median Year Structure Built	1957	1963	1961	1959	1959	1965	1966	1975
<b>Miscellaneous Data Items</b>								
2021 Bachelor's Degree	21.1%	20.8%	25.9%	27.7%	28.9%	30.2%	30.5%	22.3%
2021 Grad/Professional Degree	27.0%	26.4%	34.1%	41.0%	41.9%	23.0%	21.3%	13.4%
2021 College Graduate %	48.1%	47.2%	60.0%	68.6%	70.7%	53.1%	51.8%	35.6%
2021 Average Household Size	3.08	2.91	2.73	2.62	2.60	2.75	2.62	2.91
2021 Median Age	35.9	35.3	36.7	39.5	39.2	41.0	39.8	36.6

Source: ESRI; Compiled by NKF

- ❖ The total population within a 3-mile radius of the subject is 116,116, and the average household size is 2.95. Compared to San Mateo County overall, the population within a 3-mile radius is projected to grow at a similar rate.
- ❖ The percentage of renter occupied housing units (55.2%) within 3-mile of the subject is greater than compared to San Mateo County, supporting the need for multifamily housing.

## Demand Generators

The subject neighborhood is surrounded by Facebook's global headquarters which is expected to grow from 12,000 employees in 2018 to 35,000 employees in 2028 in Menlo Park alone. In a show of strength since COVID 19 Facebook paid all full-time employees an extra bonus and announced plans to hire 10,000 more employees in 2020. Facebook achieved this milestone in only 9 months hiring 11,711 employees and increasing their total headcount from 44,942 in Q4 2019 to 56,653 in Q3 2020. Facebook currently owns or operates approximate 4.1 million square feet of office space in the immediately surrounding the subject property.

## Conclusion

- ❖ Although the pandemic has caused unemployment levels to rise over the past year, we have a positive future outlook for San Mateo County due to its proximity to some of the largest employment centers in the world that continue to see unprecedented

growth from the Technology/Bioscience sectors. Moreover, San Mateo County benefits from being part of the San Francisco MSA, which exhibits both a higher rate of GDP growth and a higher level of GDP per capita than the nation overall. We anticipate that the San Mateo County economy will improve, and employment will continue to grow, strengthening the demand for real estate.



## Multifamily Market Analysis

### Demographic Analysis

#### Population and Household Formation

Demographic Growth Rate Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	94025	Menlo Park City	San Mateo County	San Francisco-Oakland-Berkeley, CA MSA	California
<b>Population</b>								
2010 Total Population	9,051	107,593	228,021	41,489	32,038	718,451	4,335,391	37,253,956
2021 Total Population	10,003	114,794	238,353	43,844	34,431	741,360	4,641,032	39,476,705
2026 Total Population	10,073	118,240	242,764	44,598	35,192	753,560	4,789,448	40,507,842
Annual Growth - Past Period	0.9%	0.6%	0.4%	0.5%	0.7%	0.3%	0.6%	0.5%
Annual Growth - Future Period	0.1%	0.6%	0.4%	0.3%	0.4%	0.3%	0.6%	0.5%
<b>Households</b>								
2010 Total Households	2,756	35,645	80,062	15,698	12,352	257,837	1,627,360	12,577,498
2021 Total Households	3,206	38,461	83,779	16,367	13,053	265,976	1,735,591	13,283,432
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Annual Growth - Past Period	1.4%	0.7%	0.4%	0.4%	0.5%	0.3%	0.6%	0.5%
Annual Growth - Future Period	0.2%	0.7%	0.4%	0.3%	0.4%	0.3%	0.6%	0.5%

Source: ESRI; Compiled by NKF

#### Income Distributions

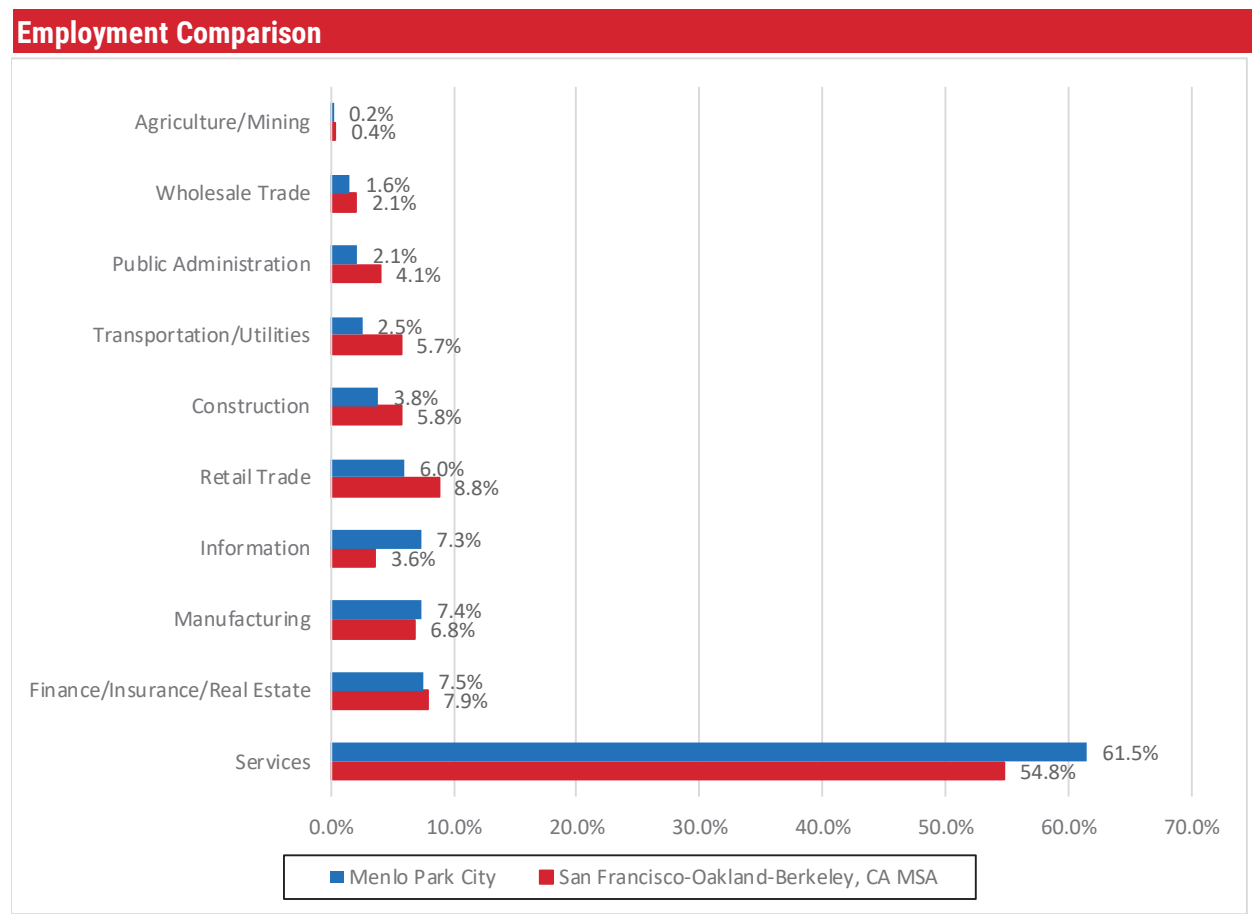
Household Income Analysis																
2021	1-Mile Radius		3-Miles Radius		5-Miles Radius		94025	Menlo Park City		San Mateo County		San Francisco-Oakland-Berkeley, CA MSA	California			
Household Income <\$15,000	151	4.7%	2,464	6.4%	4,687	5.6%	781	4.8%	645	4.9%	11,386	4.3%	121,592	7.0%	1,099,178	8.3%
Household Income \$15,000-\$24,999	107	3.3%	2,261	5.9%	3,819	4.6%	660	4.0%	458	3.5%	11,026	4.1%	81,967	4.7%	880,890	6.6%
Household Income \$25,000-\$34,999	174	5.4%	1,836	4.8%	3,426	4.1%	386	2.4%	284	2.2%	9,664	3.6%	79,117	4.6%	904,722	6.8%
Household Income \$35,000-\$49,999	222	6.9%	3,406	8.9%	6,010	7.2%	964	5.9%	714	5.5%	17,889	6.7%	121,170	7.0%	1,315,538	9.9%
Household Income \$50,000-\$74,999	508	15.8%	5,322	13.8%	9,450	11.3%	1,594	9.7%	1,343	10.3%	29,051	10.9%	201,369	11.6%	2,026,222	15.3%
Household Income \$75,000-\$99,999	185	5.8%	2,655	6.9%	5,854	7.0%	816	5.0%	671	5.1%	22,702	8.5%	170,451	9.8%	1,658,500	12.5%
Household Income \$100,000-\$149,999	437	13.6%	5,114	13.3%	10,298	12.3%	1,840	11.2%	1,505	11.5%	43,151	16.2%	280,646	16.2%	2,314,442	17.4%
Household Income \$150,000-\$199,999	291	9.1%	3,945	10.3%	9,133	10.9%	1,904	11.6%	1,531	11.7%	35,775	13.5%	219,929	12.7%	1,263,639	9.5%
Household Income \$200,000+	1,131	35.3%	11,460	29.8%	31,103	37.1%	7,422	45.3%	5,904	45.2%	85,332	32.1%	459,329	26.5%	1,820,086	13.7%
Median Household Income	\$125,130		\$109,599		\$139,625		\$176,845		\$176,453		\$132,440		\$112,557		\$80,044	
Average Household Income	\$192,231		\$171,135		\$196,507		\$231,810		\$232,235		\$177,991		\$158,125		\$113,468	
Per Capita Income	\$62,293		\$56,842		\$69,241		\$86,583		\$88,787		\$63,900		\$59,204		\$38,272	

Source: ESRI; Compiled by NKF

#### Employment

The following graph was presented previously but is also given below given its relevance to Multifamily demand. Comparing the industry sectors for the local market area (Menlo Park City) to San Francisco-Oakland-Berkeley, CA MSA indicates the local market area is somewhat more heavily weighted toward the Services, Information, and Manufacturing sectors. The following graphic further illustrates this comparison.





Source: ESRI; Compiled by NKF

**Demographic Analysis Conclusion**

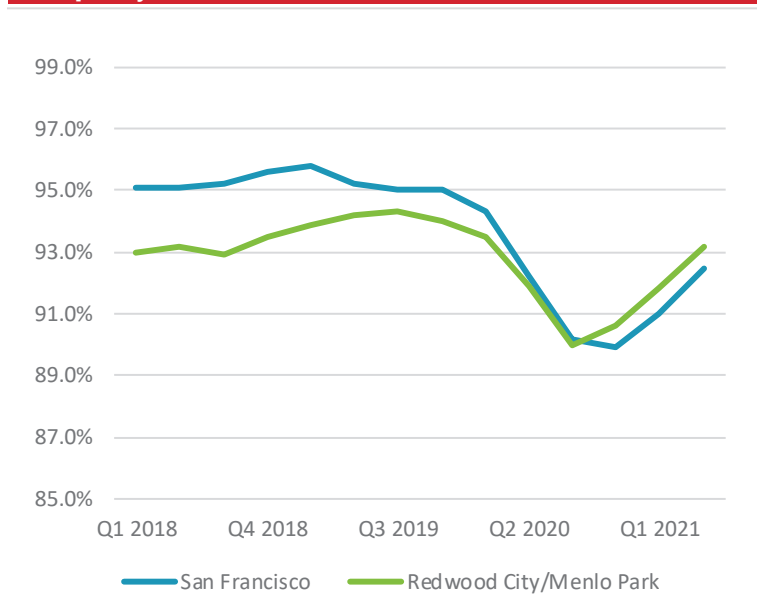
- ✘ Population growth in the surrounding area has been increasing with income levels increasing. This is due to the proximity to some of the largest employment centers in the world. This has a positive effect on manufacturing and services related real estate demand. This trend is projected to continue into the foreseeable future.

**Multifamily Market Overview**

The following discussion outlines overall market performance in the surrounding Multifamily market using Costar market metric data. Presented first are market statistics of the San Francisco area and the subject Redwood City/Menlo Park submarket overall. The analysis is then further refined to focus on demand for the subject and the properties considered to be primary competition.



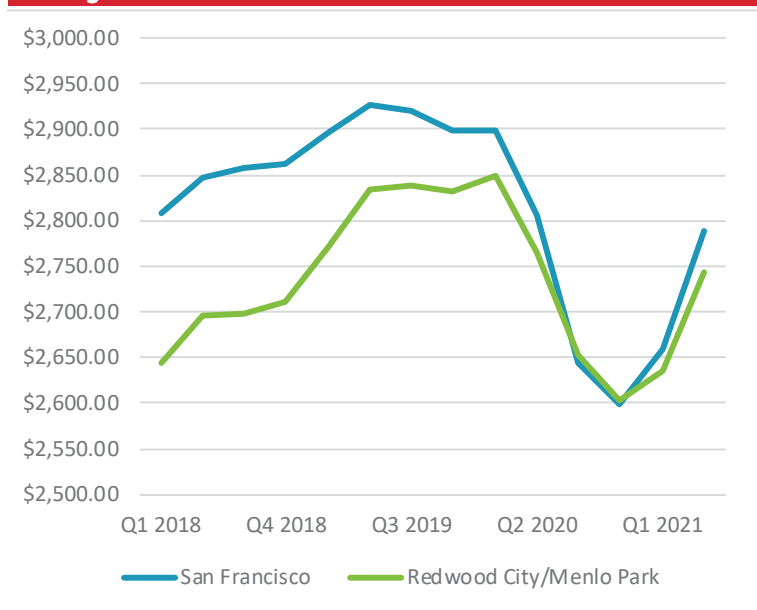
### Occupancy Rate



Period	San Francisco	Redwood City/Menlo
Q1 2018	95.1%	93.0%
Q2 2018	95.1%	93.2%
Q3 2018	95.2%	92.9%
Q4 2018	95.6%	93.5%
Q1 2019	95.8%	93.9%
Q2 2019	95.2%	94.2%
Q3 2019	95.0%	94.3%
Q4 2019	95.0%	94.0%
Q1 2020	94.3%	93.5%
Q2 2020	92.2%	91.9%
Q3 2020	90.2%	90.0%
Q4 2020	89.9%	90.6%
Q1 2021	91.0%	91.8%
Q2 2021	92.5%	93.2%

Source: Costar, Compiled by NKF Valuation & Advisory

### Asking Rent Per Unit



Period	San Francisco	Redwood City/Menlo
Q1 2018	\$2,808	\$2,645
Q2 2018	\$2,847	\$2,696
Q3 2018	\$2,857	\$2,698
Q4 2018	\$2,863	\$2,711
Q1 2019	\$2,897	\$2,771
Q2 2019	\$2,927	\$2,834
Q3 2019	\$2,920	\$2,839
Q4 2019	\$2,898	\$2,833
Q1 2020	\$2,898	\$2,849
Q2 2020	\$2,807	\$2,766
Q3 2020	\$2,644	\$2,653
Q4 2020	\$2,598	\$2,604
Q1 2021	\$2,659	\$2,636
Q2 2021	\$2,788	\$2,744

Source: Costar, Compiled by NKF Valuation & Advisory



### Multifamily Market Statistics

Trailing Four Quarters Ended Q2 2021

Market / Submarket	Inventory (Unit)	Completions		Net Absorption (Unit)	Asking Rent Per Unit	Effective Rent Per Unit
		(Unit)	Vacancy (%)			
San Francisco	232,235	2,682	7.50%	3,023	\$2,788	\$2,750
Redwood City/Menlo Park	20,042	67	6.80%	315	\$2,744	\$2,716

Source: Costar; Compiled by NKF Valuation & Advisory

### Market and Submarket Trends

#### Multifamily Market Trends

	San Francisco				Redwood City/Menlo Park			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q2 2019	227,040	1,507	4.8%	\$2,927	19,799	0	5.8%	\$2,834
Q3 2019	227,804	763	5.0%	\$2,920	19,800	0	5.7%	\$2,839
Q4 2019	227,922	121	5.0%	\$2,898	19,800	0	6.0%	\$2,833
Q1 2020	228,594	672	5.7%	\$2,898	19,975	175	6.5%	\$2,849
Q2 2020	229,553	959	7.8%	\$2,807	19,975	0	8.1%	\$2,766
Q3 2020	230,509	956	9.8%	\$2,644	19,975	0	10.0%	\$2,653
Q4 2020	231,475	966	10.1%	\$2,598	20,042	67	9.4%	\$2,604
Q1 2021	231,569	94	9.0%	\$2,659	20,042	0	8.2%	\$2,636
Q2 2021	232,235	666	7.5%	\$2,788	20,042	0	6.8%	\$2,744

\* Forecast

Source: Costar; Compiled by NKF Valuation & Advisory

- While employment opportunities are abundant in the submarket, the current economic downturn, increased remote working trends, and job losses have cut into demand. The data showed sharp increases in the submarket vacancy rate to 10.0% in 3Q 2020. With more freedom to look further afield to meet housing needs, residents in Menlo Park may be taking the short-term opportunity to find more affordability, as social distancing has left offices mostly empty since March 2020. The market has since recovered.
- Rent growth was strong into 2017 and 2018, with rent growth of over 3% each year, respectively. Furthermore, while the metro as a whole experienced a slowdown in rent growth in 2019, rent growth in Redwood City/Menlo Park still managed a 4% rise. However, even landlords in the hot submarket succumbed to the reality of an economic recession and an outflow of rental demand during the pandemic. Rents appear to have found a bottoming at the close of 2020 and are on an upward trajectory in 2021, which is picking up pace as the year progresses.

### Long Term Redwood City/Menlo Park Submarket Metrics

The following provides a longer-term view of the market.

<b>Redwood City/Menlo Park Submarket Metrics</b>						
<b>Period</b>	<b>Inventory (Units)</b>	<b>Vacancy %</b>	<b>Net Absorption (Units)</b>	<b>Completions (Units)</b>	<b>Asking Rent Per Unit</b>	<b>Effective Rent Per Unit</b>
Q4 2018	19,707	6.5%	107	0	\$2,711	\$2,666
Q1 2019	19,799	6.1%	167	92	\$2,771	\$2,731
Q2 2019	19,799	5.8%	61	0	\$2,834	\$2,809
Q3 2019	19,800	5.7%	20	0	\$2,839	\$2,822
Q4 2019	19,800	6.0%	-53	0	\$2,833	\$2,819
Q1 2020	19,975	6.5%	-93	175	\$2,849	\$2,834
Q2 2020	19,975	8.1%	-324	0	\$2,766	\$2,725
Q3 2020	19,975	10.0%	-372	0	\$2,653	\$2,586
Q4 2020	20,042	9.4%	187	67	\$2,604	\$2,533
Q1 2021	20,042	8.2%	239	0	\$2,636	\$2,597
Q2 2021	20,042	6.8%	261	0	\$2,744	\$2,716
Y 2001	15,970	3.5%	-80	129	\$2,137	\$2,124
Y 2002	16,180	5.4%	-95	210	\$1,895	\$1,883
Y 2003	16,133	5.4%	-52	0	\$1,724	\$1,712
Y 2004	16,169	4.7%	145	36	\$1,700	\$1,690
Y 2005	16,172	3.0%	281	3	\$1,755	\$1,745
Y 2006	16,249	3.1%	58	77	\$1,934	\$1,923
Y 2007	16,307	3.4%	8	58	\$2,056	\$2,044
Y 2008	16,310	3.8%	-59	3	\$2,167	\$2,152
Y 2009	16,322	4.9%	-168	12	\$1,983	\$1,968
Y 2010	16,333	6.6%	-267	42	\$2,040	\$2,022
Y 2011	16,333	4.1%	410	0	\$2,079	\$2,067
Y 2012	16,363	4.4%	-27	30	\$2,167	\$2,155
Y 2013	16,363	4.6%	-26	0	\$2,264	\$2,251
Y 2014	16,611	4.0%	328	248	\$2,351	\$2,339
Y 2015	17,363	5.4%	351	775	\$2,474	\$2,451
Y 2016	18,155	4.6%	891	792	\$2,562	\$2,518
Y 2017	19,423	7.9%	583	1,268	\$2,607	\$2,541
Y 2018	19,707	6.5%	523	284	\$2,711	\$2,666
Y 2019	19,800	6.0%	195	92	\$2,833	\$2,819
Y 2020	20,042	9.4%	-602	242	\$2,604	\$2,533
5 Year Average	19,425	6.9%	318	536	\$2,663	\$2,615
10 Year Average	18,016	5.8%	214	343	\$2,427	\$2,397
15 Year Average	17,445	5.2%	147	262	\$2,322	\$2,297

Source: Costar; Compiled by NKF Valuation & Advisory



## Supply & Demand

### Supply Additions

- ❖ Two high-end apartment projects have been developed next to the Menlo Gateway office development, which was leased to Facebook and will effectively function as a western expansion of their headquarter campus. According to news outlets, Facebook was involved in the financing and planning of one of the highly amenitized apartment projects. The 394-unit Anton Menlo, and 146-unit Elan Menlo Park Luxury Apartments, both 5-Star mid-rise apartments were developed on Haven Ave. in 2017 and leased-up briskly at premium rental rates.
- ❖ While several housing projects have been developed around Facebook's campus on the Bayfront, the majority of recent multifamily development in the submarket has been clustered in Downtown Redwood City. With a 15-minute walk of Redwood City's Downtown Caltrain Station, a total of 11 housing projects have been developed over the past 10 years, adding 2,400 units to the city, most of which are market-rate. Greystar's 350-unit complex at 1409 El Camino Real, Highwater, is currently underway, continuing the trend.
- ❖ There are four substantial projects under construction currently, two in Redwood City and two in Menlo Park, which will add an additional 870 units to the submarkets total inventory stock, which represents a lofty 5.7% addition to its existing inventory. Following historical precedence, all of the development projects in Redwood City/Menlo Park are either mid-rise or low-rise properties. This trend reflects city-imposed zoning restrictions, which in Redwood City, for example, limits high-density multifamily and mixed-use development to a few corridors in the city's downtown core, and limits building heights to a maximum of 12 floors / 136 feet.

### Demand Generators

- ❖ An influx of tech workers and a revitalized downtown boosted organic demand for housing in Redwood City/Menlo Park during the 2010s expansion cycle. Google acquired a large portion of the Pacific Shores Center back in 2014, and Facebook's ongoing expansion in their hometown headquarters has bolstered apartment demand in the area. Considering the social media giant's outsized impact on nearby housing, Facebook is planning to build around 1,500 rental apartments themselves, near their Willow Village campus expansion.
- ❖ Mega tech firms have maintained their long-term growth plans in the area, but apartment demand evaporated during the coronavirus pandemic downturn. Newer properties that stabilized quickly in the expansion have suffered substantial occupancy losses. Facebook is providing a significant percentage of its local employee's the option to relocate and work remotely as a result of the coronavirus outbreak, and presumably, some have done so on a permanent basis, while others are



now returning as the pandemic subsides. Due to the pandemic renter outflow, vacancy increased from below 7% in 2019 to a peak of 11.2% last year. Demand has returned to a moderately positive trajectory in 2021 though, with vacancy in the submarket hedging back to 6.8% today.

- ❖ As new developments came online to meet demand from Facebook employees over the past decade, owners had little trouble leasing apartment units to young, well-paid tech workers. Vacancy jumped in 2017 due to the simultaneous completion of over 1,300 units in the first half of the year, but the projects leased quickly, and vacancy receded into 2019. Young workers, who have a high propensity to rent, may continue to flock to the area over the long term as Facebook expands.

### Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio
San Francisco	3,553	-8,565	-0.4	9,218	-4,141	-2.2	17,722	2,820	6.3
Redwood City/Menlo Park	242	-602	-0.4	618	116	5.3	2,678	1,590	1.7

Source: Costar, Compiled by NKF Valuation & Advisory

### Trends and Projections

#### Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
<b>Costar</b>					
San Francisco	7.50%	10.10%	4.40%	4.50%	4.20%
Redwood City/Menlo Park	6.80%	9.40%	6.50%	4.60%	4.10%

Source: Costar, NKF Valuation & Advisory

### Conclusion

Occupancy Conclusions	
Costar	
San Francisco	92.50%
Redwood City/Menlo Park	93.20%

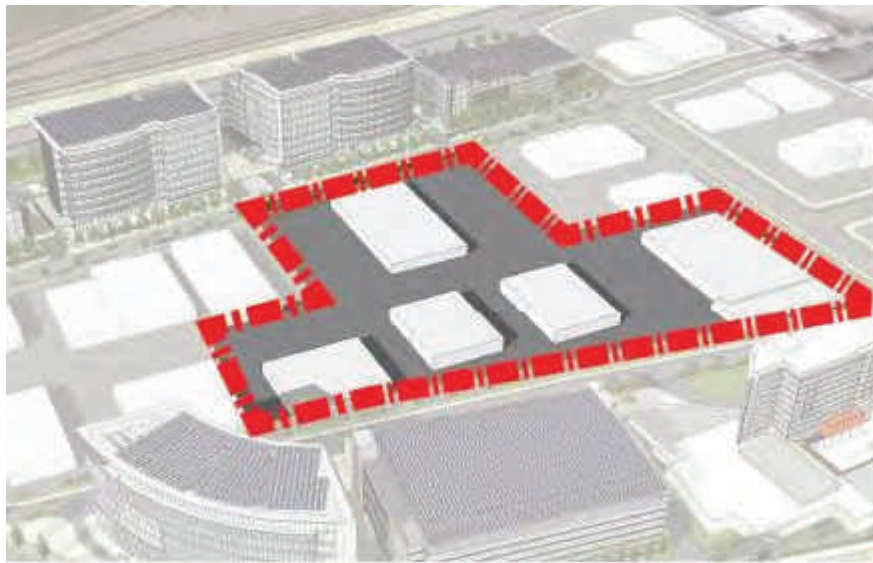
Source: Costar, NKF Valuation & Advisory



- ❖ Redwood City/Menlo Park is already home to a plethora of noteworthy tech firms, with Google joining the fray in 2016. Facebook's continual expansion and development in the area has fueled demand for nearby housing and catalyzed an effort to enhance public transit options. In 2014, 2016, and 2018, Google and Facebook ran pilots for ferries out of Redwood City for employees, and the city initiated a study in 2019 to see if running a ferry service to the port would be feasible. Demand for a wealth of new high-end apartments developed in the 2010s expansion cycle was adequate, but occupancy levels deteriorated significantly in response to the coronavirus pandemic. The submarket and market are rebounding now, but it may take some time to regain pre-COVID occupancy and rental rates.
- ❖ The economic recession temporarily slowed digital ad sales and in turn, the pace of hiring at Facebook and Google. More consequentially, local tech workers left the area amid the pandemic, provided the opportunity to work remotely on a temporary and sometimes permanent basis, to live in cheaper destinations.
- ❖ However, with billions of dollars on hand and dominant market share positions, the world's largest tech giants have navigated the pandemic extremely well with revenues eventually soaring to new highs. Nevertheless, housing demand in Redwood City/Menlo Park has not been immune to the coronavirus recession's job losses and the work from home movement. Landlords responded to the recent reversal in demand trends by lowering asking rents and increasing concessions, with the downturn finally abating as 2020 came to a close, and rents rebounding in 2021.



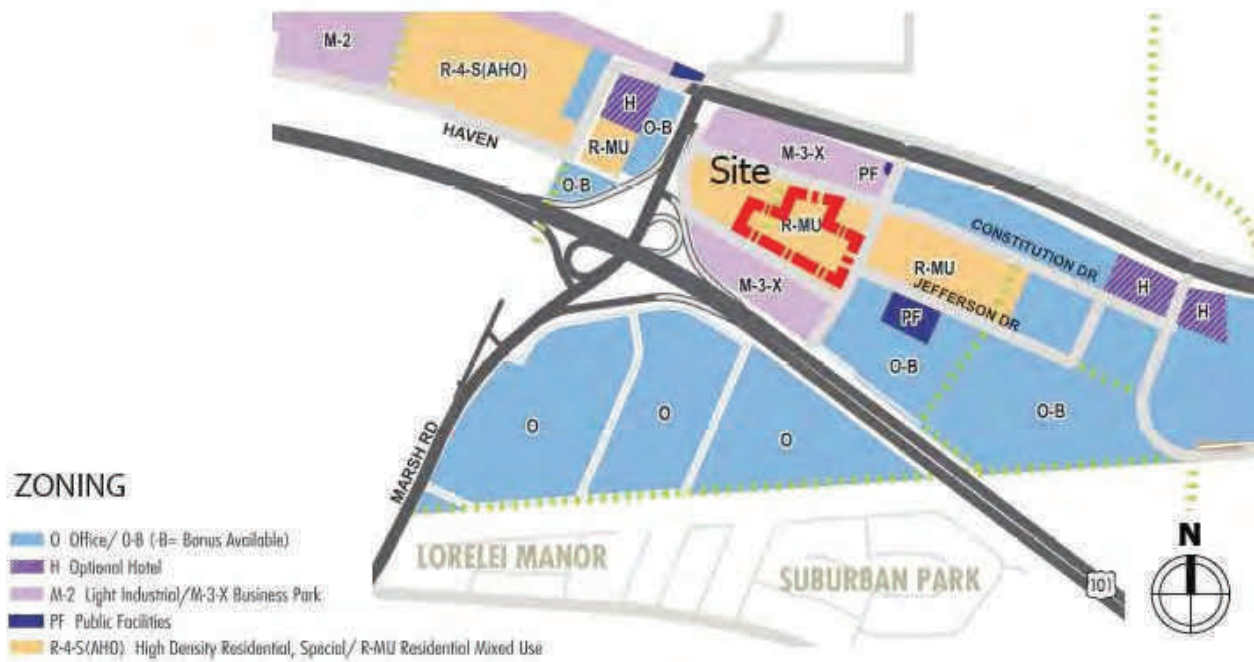
# Land and Site Analysis



Site Plan

Proposed Apartment/Townhouse Development Site





Site Plan



### Land Description

Total Land Area	8.1500 Acres; 355,014 SF
Usable Land Area	8.1500 Acres; 355,014 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Plans

### Site Characteristics

Traffic Flow	Moderate
Accessibility Rating	Above Average
Visibility Rating	Average
Shape	Rectangular
Corner	Yes
Rail Access	No
Topography	Level
Site Vegetation	Typical
Other Site Characteristics	None Noted
Easements / Encroachments	None Noted
Environmental Hazards	None Noted

### Flood Zone Analysis

Flood Area Panel Number	06081C0306F
Date	4/5/2019
Zone	Zone AE
Description	Special Flood Hazard Area where base flood elevations are provided.
Insurance Required?	No

### Utilities

Utility Services	Cable TV, Electricity, Gas, Sewer, Water
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*Compiled by NKF*

## Easements, Encroachments and Restrictions

We were not provided a current title report to review. Further, we are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

## Environmental Issues

No environmental issues were observed or reported. NKF is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have



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specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.



# Zoning and Legal Restrictions

Zoning Summary	
Category	Description
Zoning Jurisdiction	City of Menlo Park
Zoning Designation	R-MU-B
Description	Residential Mixed-Use Bonus
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Permitted uses in the residential mixed use district include the following: Multiple dwellings, Administrative and professional offices, Banks and other financial institutions, Retail sales establishments, Eating establishments, Personal services, Recreational facilities privately operated & Community education/training center that provides free or lowcost educational and vocational programs to help prepare local youth and adults for entry into college and/or the local job market.
Minimum Lot Area	25,000 SF
Maximum Density (units per acre)	30 (base) 100 (bonus)
Allowable Building Units	245 (base) 432 (proposed)
Maximum Floor Area Ratio (proposed)	1.34
Allowable Building Area (square feet)	476,986
Front	0 feet
Side	10 feet
Rear	10 feet
Building Height Restrictions	70 feet
Parking Requirement	Residential units require a minimum of 1 space per unit (per unit or 1,000 SF) and a maximum space of 1.5 per unit (per unit or 1,000 SF)
Other	None noted

*Compiled by NKF*

We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.



# Highest and Best Use

## As Vacant

### Legally Permissible

The site is zoned R-MU-B which allows for permitted uses in the residential mixed use district include the following: multiple dwellings, administrative and professional offices, banks and other financial institutions, retail sales establishments, eating establishments, personal services, recreational facilities privately operated & community education/training center that provides free or lowcost educational and vocational programs to help prepare local youth and adults for entry into college and/or the local job market.. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification. Further information and analysis about the legal restrictions to the subject property is included in the Site Analysis and Zoning and Legal Restrictions sections of this report.

### Physically Possible

The subject site contains 355,014 square feet (8.150 acres), has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

### Financially Feasible

Of the legally permissible and physically possible uses, research and development uses appear most probable based on observation of surrounding properties as well as the location.

Given the underlying market conditions and activity, it appears that a multifamily development would have a sufficient degree of feasibility.

### Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider. In this case, the maximally productive use is a multifamily development. The associated risk is typical and market conditions appear to be supportive.



**Highest and Best Use Conclusion – As Vacant**

The highest and best use of the subject as though vacant is the development of a multifamily use.

**Most Probable Buyer**

The most likely buyer would be a developer.

**As Improved**

The subject site is improved with older industrial buildings. We are not giving consideration to the improvements per the appraisal instructions.



# Appraisal Methodology

## Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

## Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

## Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Application of Approaches to Value	
Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is not applicable and is not utilized in this appraisal.

*Compiled by NKF*

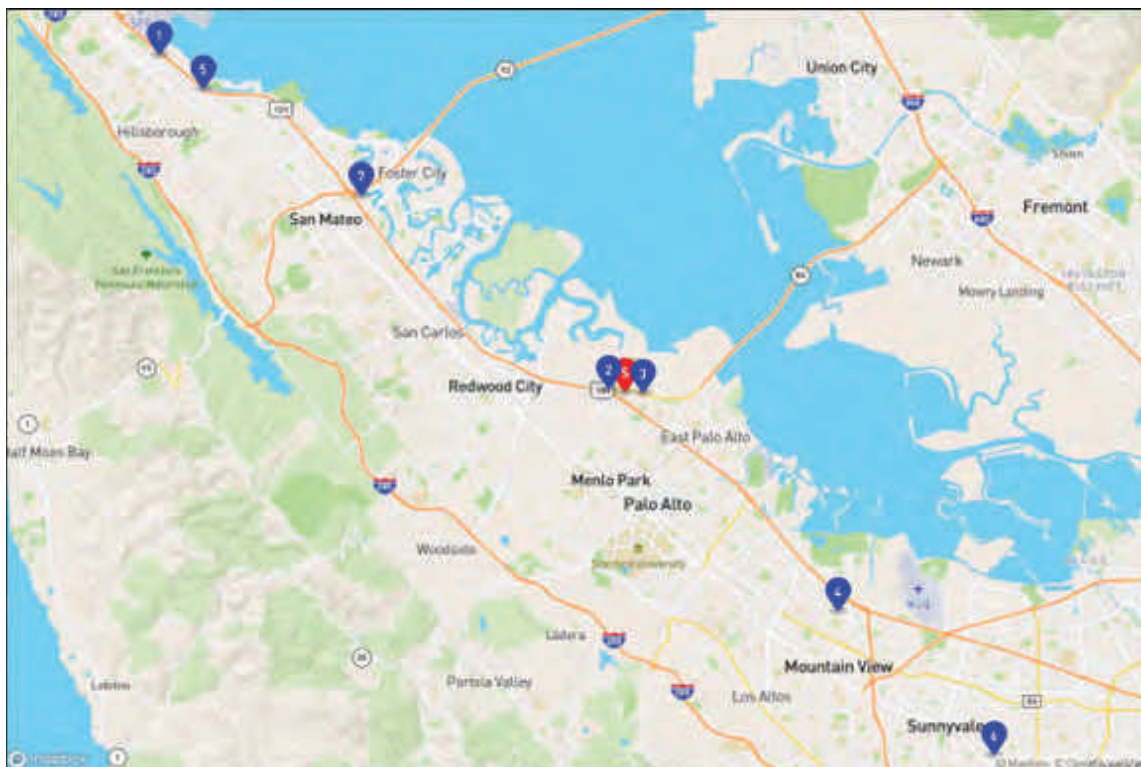
The subject property is a development site. In the absence of ground leases, subdivision, or other income sources, the sales comparison approach is viewed as most applicable in the valuation of land parcels. It is also the only approach allowed under the Menlo Park Appraisal Instructions. Therefore, the sales comparison approach is the sole approach to value utilized in this appraisal. The exclusion of the other two approaches does not impact the reliability of the appraisal.

# Sales Comparison Approach

Land value can be developed from a number of different methodologies. In this case, we have employed the sales comparison as sufficient comparable data exists from which to derive a reliable indication of value. Sales comparison includes the following steps.

- ❑ Research and verify information on properties in the market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- ❑ Select the most relevant units of comparison in the market and develop a comparative analysis.
- ❑ Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- ❑ Reconcile the various value indications to a value indication.

Based on a review of market activity, the appropriate unit of comparison is price per far.



Land Comparables Map

Comparable Land Sales Summary								
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Address	123 Independence Drive	1 & 45 Adrian Court	110 Constitution Drive	141 Jefferson Drive	1555 West Middlefield	1095 Rollins Road	925 South Wolfe Road	1-3 Waters Park Drive
City, State	Menlo Park, CA	Burlingame, CA	Menlo Park, CA	Menlo Park, CA	Mountain View, CA	Burlingame, CA	Sunnyvale, CA	San Mateo, CA
Proposed Use	Multifamily	MF Residential	MF Residential	MF Residential	MF Residential	MF Residential	MF Residential	MF Residential
Gross Land SF	355,014 SF	123,275 SF	84,942 SF	210,395 SF	236,972 SF	46,827 SF	232,610 SF	484,638 SF
Useable Acres	8.15 Acres	2.83 Acres	1.95 Acres	4.83 Acres	5.44 Acres	1.08 Acres	5.34 Acres	11.13 Acres
Useable Land SF	355,014 SF	123,275 SF	84,942 SF	210,395 SF	236,972 SF	46,827 SF	232,610 SF	484,638 SF
Allowable Bldg Units	245 (base) 432 (proposed)	265	335	483	115	150	128	190
Allowable Bldg Area (Base Level)	319,513 SF	223,128 SF	326,816 SF	469,046 SF	246,451 SF	193,864 SF	223,306 SF	436,174 SF
FAR	0.90	1.81	3.85	2.23	1.04	4.14	0.96	0.90
Approvals	Approved	Approved	Not Approved	Nearing Approvals	Approved	Approved	Approved	Approved
BMR Requirements	15%	14%	15%	15%	0%	10%	16%	10%
Zoning	R-MU-B	North Rollins Mixed-Use	R-MU-B	R-MU-B	R3-2 Multiple Family	R-4 - High Density	R3	R3
Transaction Type		Closed	Closed	Closed	Closed	Closed	Closed	Closed
Buyer		Carmel	GS MP Portal Owner LLC	Greystar	Summer Hill Housing	Prometheus	Landsea	Pulte
Seller		Summerhill	Coyne Patrick Living Trust & Studio RED	Ragno & Assoc, B Battagin & InfoIMAGE, Inc.	Calson Properties Inc.	Hanover	Summerhill	Strada
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Date		Sep-21	Jan-21	Dec-20	Dec-20	Nov-20	Nov-20	Jun-20
Price		\$33,112,500	\$29,700,000	\$75,100,000	\$81,000,000	\$18,750,000	\$68,500,000	\$106,000,000
Adj. Sale Price		\$33,112,500	\$38,250,000	\$84,000,000	\$81,000,000	\$18,750,000	\$68,500,000	\$106,000,000
Price per Gross Land Acre		\$11,700,511	\$19,615,385	\$17,391,304	\$14,889,354	\$17,441,860	\$12,827,737	\$9,527,441
Price per Usable Land SF		\$268.61	\$450.31	\$399.25	\$341.81	\$400.41	\$294.48	\$218.72
Price per Usable Land Acre		\$11,700,511	\$19,615,385	\$17,391,304	\$14,889,354	\$17,441,860	\$12,827,737	\$9,527,441
Price per Usable Land SF		\$268.61	\$450.31	\$399.25	\$341.81	\$400.41	\$294.48	\$218.72
Price per Unit		\$124,953	\$114,179	\$173,913	\$704,348	\$125,000	\$535,156	\$557,895
Price per FAR		\$148.40	\$117.04	\$179.09	\$328.67	\$96.72	\$306.75	\$243.02

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## Analysis of Land Comparables

The following paragraphs analyze the most relevant comparable data against the subject property.

### Comparable One

Sale Comparable One represents the September 2021 sale of 2.830 acres of land located at 1 & 45 Adrian Court, Burlingame, California. The subject site has 2.83 acres of land zoned for mixed-use development. Carmel purchased the property from Summerhill for a total consideration of \$33,112,500 (approximately \$125,000/ unit) in September of 2021. The City of Burlingame approved the application in September 2019 for construction of a new seven-story, 265-unit mixed-use development at 1 and 45 Adrian Court, within the North Rollins Road Mixed Use area. The project consists of two parcels that currently include two commercial buildings, surface parking, and landscaping. The project entails the demolition of these features and the merging of the two parcels to create a 2.83-acre site for a seven-story, 265-unit mixed use development. Approximately 14.3 percent of the residential units (38 units) would be designated for low income households. The project would include 3,701 square feet of commercial/office space on the ground floor and a publicly accessible private park. Parking would be provided in an at-grade garage, containing two levels of parking for a total of 314 parking spaces.

No transaction adjustments were warranted.

An upward adjustment was applied for location due to its inferior location in Burlingame with historically lower rental rates and sale prices. An upward adjustment was applied for density (far) due to a higher density planned development with higher construction costs plus longer development and absorption times. Combining transaction and physical adjustments, overall net upward adjustment is indicated resulting in a price per FAR indication of \$207.76.



### Comparable Two

Sale Comparable Two represents the January 2021 sale of 1.950 acres of land located at 110 Constitution Drive, Menlo Park, California. This is a sale of land proposed for redevelopment with a multifamily use containing a total of 335 units, of which 48 (15%) will be comprised of affordable housing units. The total site area is 1.95 acres or 84,942 square feet, spanning across 2 neighboring parcels. Menlo Portal Apartments is located at 110 Constitution Drive & 115 Independence Drive in Menlo Park, two miles from the Facebook campus. Nearby major employers include Evernote, Google and Stanford University. The property is located about 3 miles from the Menlo Park downtown, 0.1 miles from access to U.S. Route 101 and just over 3 miles from the Menlo Park Caltrain station. Entitlements for Menlo Portal have been in process since 2017 and were anticipated to be fully approved by mid-year 2021. The leases at the existing industrial buildings have been extended on a month-to-month basis while the developer secures permits. The multifamily parcels were part of an assemblage purchase comprised of three parcels - (104 Constitution Drive: \$16,500,000; 110 Constitution Drive: \$16,000,000; 115 Independence Drive: \$13,700,000). 104 Constitution Drive is part of the larger Menlo Portal development and will be redeveloped with an office building. Buyer paid a \$8,550,000 Community Amenities Fee to attain bonus density.

No transaction adjustments were warranted.

An upward adjustment was applied for density (far) due to a much higher density planned development with higher construction costs plus longer development and absorption times. . An upward adjustment was applied for approvals due to the buyer spending approximately \$6 million on design and other costs prior to closing. Combining transaction and physical adjustments, overall net upward adjustment is indicated resulting in a price per FAR indication of \$210.67.

### Comparable Three

Sale Comparable Three represents the December 2020 sale of 4.830 acres of land located at 141 Jefferson Drive, Menlo Park, California. The subject site has 4.83 acres of land zoned R-MU-B. Greystar purchased the land from Ragno & Assoc, B Battagin & InfoIMAGE, Inc. for a total consideration of \$75,100,000. This was an assemblage of three parcels that will be part of the proposed Menlo Uptown project. The proposal is to demolish three existing office and industrial buildings and redevelop the three-parcel site with 483 multi-family dwelling units, comprised of 441 rental units split between two seven-story apartment buildings and approximately 2,940 square feet of office uses located on the ground floor of one of the proposed buildings, and 42 for-sale townhome-style condominium units, located in the R-MU-B (Residential Mixed Use, Bonus) zoning district. 73 units (15%) will be designated as affordable units. The buyer paid an \$8,900,000 Community Amenities Fee in order to obtain bonus density.

No transaction adjustments were warranted.



An upward adjustment was applied for density (far) due to a higher density planned development with higher construction costs plus longer development and absorption times. . An upward adjustment was applied for approvals due to the project not being fully approved at the time of sale. Combining transaction and physical adjustments, overall net upward adjustment is indicated resulting in a price per FAR indication of \$259.68.

#### **Comparable Four**

Sale Comparable Four represents the December 2020 sale of 5.440 acres of land located at 1555 West Middlefield Road, Mountain View, California. The project site is located on the west side of W. Middlefield Road, between Burgoyne Street and San Pierre Way, on a 5.44-acre site. The project would demolish the existing apartment buildings/structures and construct 20 rowhouse buildings with 115 for-sale residential units with vehicle access via two full-access driveways on San Ramon Avenue. This area contains a mix of multi-family, single-family residential and office and Crittenden Middle School across W. Middlefield Road. The site currently contains 13 two-story apartment buildings with 116 existing apartment units. The proposed project is a three-story, 115 rowhouse development, in 20 separate buildings. The project proposes three and four bedroom units, with an average living area of 1,659 square feet. Materials include stucco, tile roofs, metal railings, balconies in a "Spanish California" style. The site was fully entitled at the time of sale.

No transaction adjustments were warranted.

A downward adjustment was applied for affordable requirement due to the absence of required affordable units. Combining transaction and physical adjustments, overall net downward adjustment is indicated resulting in a price per FAR indication of \$279.37.

#### **Comparable Five**

Sale Comparable Five represents the November 2020 sale of 1.075 acres of land located at 1095 Rollins Road, Burlingame, California. Prometheus Real Estate Group acquired this fully entitled multifamily development site located at 1095 Rollins Rd., in Burlingame, CA from Hanover Company for \$18.75 million or about \$400 psf. The City of Burlingame has approved an application for the construction that includes merging two parcels to create a 46,827 square foot site, demolishing the existing structures and constructing a new 6-story, 150-unit apartment building. The project would include a subterranean garage containing surface, tandem and stacked parking for 195 off-street parking spaces, with approximately 175 of the spaces provided in stackers. The units would include studio, one-bedroom, two-bedroom and three-bedroom units, with 10% (15 units) designated affordable for moderate income households, and therefore the project includes a request to use the State Density Bonus, including waivers and incentives.

No transaction adjustments were warranted.

An upward adjustment was applied for location due to its inferior location in Burlingame with historically lower rental rates and sale prices. An upward adjustment was applied for density (far)



due to a higher density planned development with higher construction costs plus longer development and absorption times. A downward adjustment was applied for affordable requirement due to a lower affordable requirement. Combining transaction and physical adjustments, overall net upward adjustment is indicated resulting in a price per FAR indication of \$159.59.

### **Comparable Six**

This comparable was purchased to construct 123 townhomes. This property was sold with full development approvals. The price per FAR was \$306.75. This property is similar to the subject in location and density at the base level. There will be 16% below market rate units at this development.

### **Comparable Seven**

This comparable was purchased to construct 190 total residential units with 28 detached single family homes. This property was sold with full development approvals. The price per FAR was \$243.02. This comparable is adjusted upward for its inferior location in San Mateo. A downward adjustment is applied to reflect the lower (10%) affordable requirement. The adjusted price per FAR is \$255.17.



Comparable Land Sales Adjustment Grid - Base Level Density								
Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7	
Address	123 Independence Drive	1 & 45 Adrian Court	110 Constitution Drive	141 Jefferson Drive	1555 West Middlefield	1095 Rollins Road	925 South Wolfe Road	1-3 Waters Park Drive
City, State	Menlo Park, CA	Burlingame, CA	Menlo Park, CA	Menlo Park, CA	Mountain View, CA	Burlingame, CA	Sunnyvale, CA	San Mateo, CA
Gross Land SF	355,014 SF	123,275 SF	84,942 SF	210,395 SF	236,972 SF	46,827 SF	232,610 SF	484,638 SF
Usable Land Area (Acres)	8.15 Acres	2.83 Acres	1.95 Acres	4.83 Acres	5.44 Acres	1.08 Acres	5.34 Acres	11.13 Acres
Usable Land Area (SF)	355,014 SF	123,275 SF	84,942 SF	210,395 SF	236,972 SF	46,827 SF	232,610 SF	484,638 SF
Units	245 (base) 432 (proposed)	265	335	483	115	150	128	190
Allowable Bldg Area	319,513	223,128	326,816	469,046	246,451	193,864	223,306	436,174
FAR	0.90	1.81	3.85	2.23	1.04	4.14	0.96	0.90
Transaction Date	--	Sep-21	Jan-21	Dec-20	Dec-20	Nov-20	Nov-20	Jun-20
Price per FAR	--	\$148.40	\$117.04	\$179.09	\$328.67	\$96.72	\$306.75	\$243.02
<b>Transaction Adjustments</b>								
Property Rights		0%	0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%	0%
Market Conditions (Time)		0%	0%	0%	0%	0%	0%	0%
Subtotal (adjustments are multiplied)		0%	0%	0%	0%	0%	0%	0%
Transaction Adjusted Price per FAR		\$148.40	\$117.04	\$179.09	\$328.67	\$96.72	\$306.75	\$243.02
<b>Physical Adjustments</b>								
Location		10%	0%	0%	0%	10%	0%	10%
Corner		0%	0%	0%	0%	0%	0%	0%
Frontage		0%	0%	0%	0%	0%	0%	0%
Size		0%	0%	0%	0%	0%	0%	0%
Shape		0%	0%	0%	0%	0%	0%	0%
Topography		0%	0%	0%	0%	0%	0%	0%
Utilities		0%	0%	0%	0%	0%	0%	0%
Zoning		0%	0%	0%	0%	0%	0%	0%
Density (FAR)		30%	60%	40%	0%	60%	0%	0%
Approvals		0%	20%	5%	0%	0%	0%	0%
Affordable Requirement		0%	0%	0%	-15%	-5%	0%	-5%
Subtotal (adjustments are summed)		40%	80%	45%	-15%	65%	0%	5%
Gross Adjustment		40%	80%	45%	15%	75%	0%	15%
Overall Adjustment		40.0%	80.0%	45.0%	-15.0%	65.0%	0%	5.0%
<b>Indicated Price per FAR</b>		<b>\$207.76</b>	<b>\$210.67</b>	<b>\$259.68</b>	<b>\$279.37</b>	<b>\$159.59</b>	<b>\$306.75</b>	<b>\$255.17</b>

Compiled by NKF

## Base Level Land Value Conclusion

- ✘ Prior to adjustments, the sales reflect a range of \$96.72 to \$328.67 per FAR.
- ✘ After adjustment, the range is narrowed to \$159.59 to \$306.75 per FAR, with an average of \$239.86 per FAR.
- ✘ Comparables 4, 6, and 7 with adjusted values of \$255.17 to \$306.75 per FAR are most similar to the subject in base level density and are given greater weight in our reconciliation.

## Land Value Conclusion - Base Level

Allowable Bldg Area (Base Level)		319,513
<b>Comparable Sales Indications</b>	<b>Range</b>	<b>Average</b>
Unadjusted Price per FAR	\$96.72 - \$328.67	\$202.81
Adjusted Price per FAR	\$159.59 - \$306.75	\$239.86
Reconciled Value per FAR		\$255.00
Total Indicated Value		\$81,475,815
	Rounded	\$81,500,000

Compiled by NKF

## Bonus Level Land Value Conclusion

- ✘ As stated earlier, higher density developments tend to sell for a lower price per FAR due to higher development costs plus longer development and absorption times.





Comparable Sale 5 with the highest FAR of 4.14 sold for the lowest price per FAR (\$96.72). Comparable 2 with the second highest FAR of 3.85 sold for the second lowest price per FAR (\$117.04). Comparable Sales 4, 6, and 7 with the lowest densities of 1.04, 0.96, and 0.90 sold for the highest prices per FAR of \$328.67, \$306.75 and \$243.02.

- ❖ The studied base level development project would consist of 194 apartments in a 5-story apartment building (Type VA) that includes an above grade parking structure. The base project would also include 51 townhomes units. These townhomes would be 3 stories and include a tuck under garage containing two parking spaces. The base project includes a total of 319,513 residential square footage with density at 30 DU/acre. While there are some fixed costs that remain relatively the same between the base and bonus level projects such as site work and soft costs, other costs such as hard costs for the building and garage will increase for the bonus project. The building hard cost for the bonus level project will increase by approximately 35% due to more materials and labor for the increase in residential square footage. The garage hard cost for the bonus level project will increase by approximately 26% due to the bonus project requiring a below grade parking structure. This estimate is consistent with Marshall Valuation Service (Section 14 Page 34) cost estimates of \$96.50/SF for above grade parking structures versus \$121.00/SF for underground parking structures. The overall cost increase for the bonus project is approximately 25% more than the base level project.
- ❖ Achievable prices per square foot tend to decline with increasing density. Consumers in this market generally prefer living in lower density environments. Significant view premiums from the proposed upper floor units are not anticipated due to the heights of surrounding buildings. The bonus level development will have 187 units (76%) more units than the base level. The holding costs will be much higher due to a longer development and absorption time.
- ❖ The density adjustments on the following worksheet are based on the factors discussed above. Comparables 1, 4, 6, and 7 with adjusted values of \$170.66 to \$214.73 are most similar to the subject in density under the bonus scenario and are given greater weight in our reconciliation. The concluded value of \$185 per FAR is 27% less than the base value of \$255 per FAR. This conclusion is reasonable based on the estimated 25% higher construction costs plus substantially longer construction and absorption times under the bonus scenario.

Comparable Land Sales Adjustment Grid - Bonus Level								
Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7	
Address	123 Independence	1 & 45 Adrian Court	110 Constitution Drive	141 Jefferson Drive	1555 West Middlefield	1095 Rollins Road	925 South Wolfe Road	1-3 Waters Park Drive
City, State	Menlo Park, CA	Burlingame, CA	Menlo Park, CA	Menlo Park, CA	Mountain View, CA	Burlingame, CA	Sunnyvale, CA	San Mateo, CA
Gross Land SF	355,014 SF	123,275 SF	84,942 SF	210,395 SF	236,972 SF	46,827 SF	232,610 SF	484,638 SF
Usable Land Area (Acres)	8.15 Acres	2.83 Acres	1.95 Acres	4.83 Acres	5.44 Acres	1.08 Acres	5.34 Acres	11.13 Acres
Usable Land Area (SF)	355,014 SF	123,275 SF	84,942 SF	210,395 SF	236,972 SF	46,827 SF	232,610 SF	484,638 SF
Land Units	432	265	335	483	115	150	128	190
Allowable Bldg Area	476,962	223,128	326,816	469,046	246,451	193,864	223,306	436,174
FAR	1.34	1.81	3.85	2.23	1.04	4.14	0.96	0.90
Transaction Date	--	Sep-21	Jan-21	Dec-20	Dec-20	Nov-20	Nov-20	Jun-20
Price per FAR		\$148.40	\$117.04	\$179.09	\$328.67	\$96.72	\$306.75	\$243.02
<b>Transaction Adjustments</b>								
Property Rights		0%	0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%	0%
Market Conditions (Time)		0%	0%	0%	0%	0%	0%	0%
Subtotal (adjustments are multiplied)		0%	0%	0%	0%	0%	0%	0%
Transaction Adjusted Price per FAR		\$148.40	\$117.04	\$179.09	\$328.67	\$96.72	\$306.75	\$243.02
<b>Physical Adjustments</b>								
Location/Access		10%	0%	0%	0%	10%	0%	10%
Corner		0%	0%	0%	0%	0%	0%	0%
Frontage		0%	0%	0%	0%	0%	0%	0%
Size		0%	0%	0%	0%	0%	0%	0%
Shape		0%	0%	0%	0%	0%	0%	0%
Topography		0%	0%	0%	0%	0%	0%	0%
Utilities		0%	0%	0%	0%	0%	0%	0%
Zoning		0%	0%	0%	0%	0%	0%	0%
Density (FAR)		5%	35%	10%	-30%	40%	-30%	-30%
Approvals		0%	20%	5%	0%	0%	0%	0%
Affordable requirement		0%	0%	0%	-15%	-5%	0%	-5%
Subtotal (adjustments are summed)		15%	55%	15%	-45%	45%	-30%	-25%
Gross Adjustment		15%	55%	15%	45%	55%	30%	45%
Overall Adjustment		15.0%	55.0%	15.0%	-45.0%	45.0%	-30.0%	-25.0%
<b>Indicated Price per FAR</b>		<b>\$170.66</b>	<b>\$181.41</b>	<b>\$205.95</b>	<b>\$180.77</b>	<b>\$140.24</b>	<b>\$214.73</b>	<b>\$182.27</b>

Compiled by NKF

### Land Value Conclusion - Bonus Level

Allowable Bldg Area		476,962
<b>Comparable Sales Indications</b>	<b>Range</b>	<b>Average</b>
Unadjusted Price per FAR	\$96.72 - \$328.67	\$202.81
Adjusted Price per FAR	\$140.24 - \$214.73	\$182.29
<b>Reconciled Value per FAR</b>		<b>\$185.00</b>
Total Indicated Value		\$88,237,970
	Rounded	\$88,200,000

Compiled by NKF

### Adjustments to Derive the Value of the Amenity

According to the appraisal instructions, the value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA proposed at the Bonus Level. The "Value of the Amenity" is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level. Calculations are provided below:

### Land Value Conclusions

Land Value at the Bonus Level	476,962 SF	\$88,200,000
Land Value at the Base Level	319,513 SF	<u>\$81,500,000</u>
Value of the Additional GFA Proposed (Bonus Level less Base)		\$6,700,000
50% Discount		<u>\$3,350,000</u>
Value of the Amenity		\$3,350,000

Compiled by NKF



## Reconciliation of Value

The values indicated by our analyses are as follows:

### Land Value Conclusions

Land Value at the Bonus Level	476,962 SF	\$88,200,000
Land Value at the Base Level	319,513 SF	<u>\$81,500,000</u>
Value of the Additional GFA Proposed (Bonus Level less Base)		\$6,700,000
50% Discount		<u>\$3,350,000</u>
Value of the Amenity		\$3,350,000

*Compiled by NKF*

### Cost Approach

As previously discussed, the Cost Approach was not utilized for valuation of the subject property as it is land.

### Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. In the absence of ground leases, subdivision, or other income sources, the sales comparison approach is viewed as most applicable in the valuation of land parcels. Therefore, the sales comparison approach is the sole approach to value utilized in this appraisal.

### Income Capitalization Approach

As the subject property is a development site and is not leased (or has any other reasonable income source), the Income Capitalization Approach was not applicable and not utilized.

### Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Land Value at the Bonus Level	Fee Simple	1/8/2022	\$88,200,000
Land Value at the Base Level	Fee Simple	1/8/2022	\$81,500,000
Value of the Additional GFA Proposed	Fee Simple	1/8/2022	\$6,700,000
Value of the Amenity	Fee Simple	1/8/2022	\$3,350,000

*Compiled by NKF*



### Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. We are not giving consideration to the improvements on the site as per the City of Menlo Park Appraisal Instructions
2. The bonus level land value conclusion does not consider the community amenities requirement per the City of Menlo Park Appraisal Instructions
3. The value conclusions under each scenario are based on the hypothetical assumption that the project is fully entitled at the stated development density per the City of Menlo Park Appraisal Instructions

The use of these hypothetical conditions might have affected assignment results.

*Compiled by NKF*

### Exposure Time

Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Recent sales transaction data for similar properties, supply and demand characteristics for the local land market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 6 months.

### Marketing Time

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 months.



# Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a

substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.

5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective, and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and



underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.



**Addendum A**  
**Glossary of Terms**





The following definitions are derived from *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

- ◆ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ◆ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ◆ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ◆ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value or based on an assessment ratio that is a percentage of market value.
- ◆ **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ◆ **Contract Rent:** The actual rental income specified in a lease.
- ◆ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ◆ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ◆ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also *surplus land*.



- ◆ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- ◆ **Exposure Time:** 1) The time a property remains on the market. 2) [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
- ◆ **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also **hypothetical condition**.
- ◆ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ◆ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ◆ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ◆ **Full-Service Lease:** See **gross lease**.
- ◆ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ◆ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ◆ **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.
- ◆ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically, does not include garage space.



- ◆ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ◆ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. See also **extraordinary assumption**.
- ◆ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)
- ◆ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- ◆ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- ◆ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ◆ **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ◆ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ◆ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ◆ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone



associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.

- ◆ **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- ◆ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. <sup>2</sup>
- ◆ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ◆ **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
- ◆ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- ◆ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also **gross lease;** **modified gross lease.**
- ◆ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.

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<sup>2</sup> The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.



- ◆ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ◆ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ◆ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ◆ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ◆ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ◆ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ◆ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually, the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically, these are long-term leases with tenants paying all or most property expenses.
- ◆ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also **excess land**.
- ◆ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.



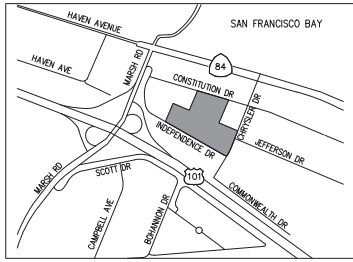
- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ◆ **Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.
- ◆ **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.
- ◆ **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.



## **Addendum B**

### **Property Information**





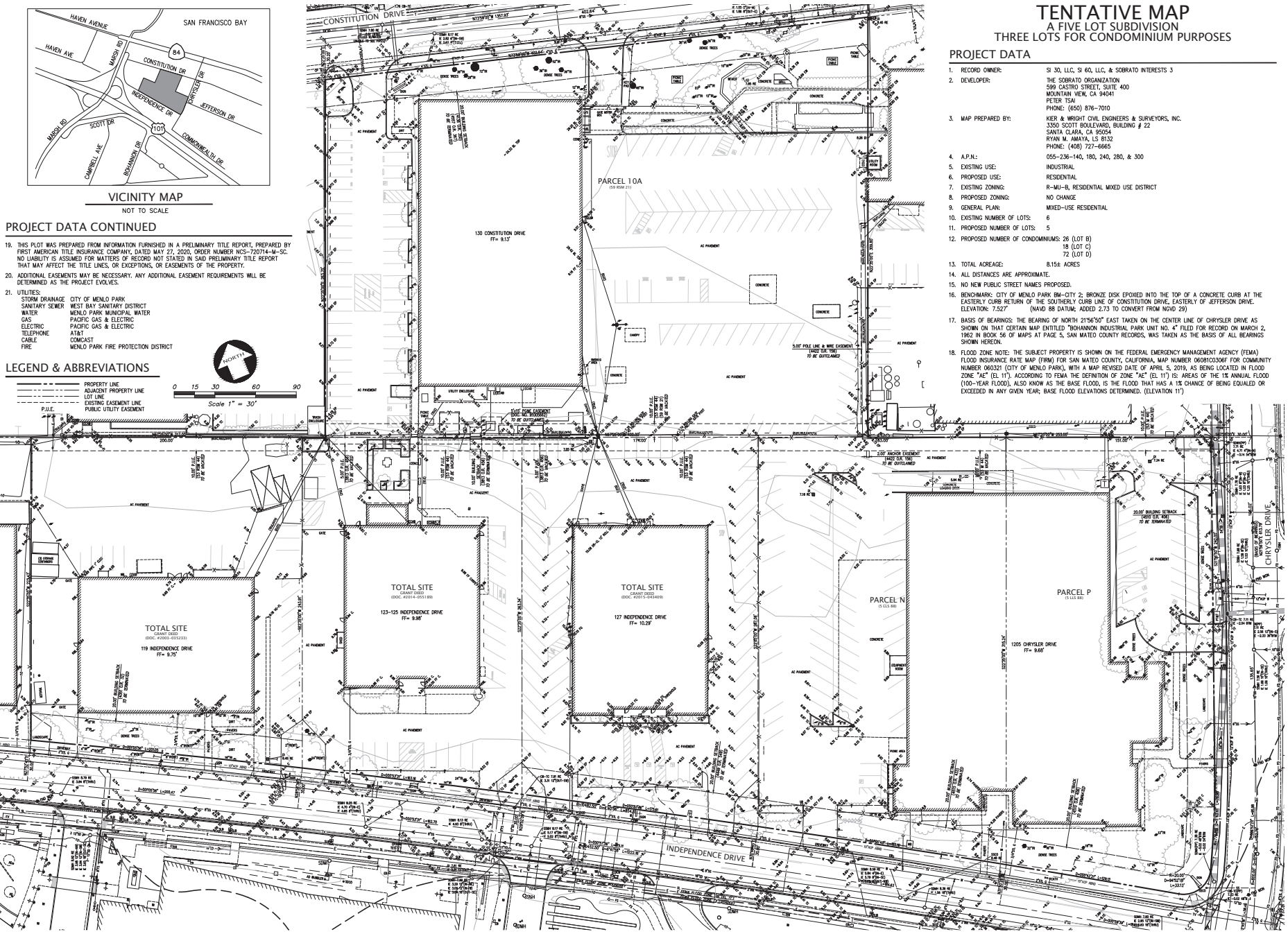
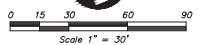
VICINITY MAP  
NOT TO SCALE

PROJECT DATA CONTINUED

- THIS PLOT WAS PREPARED FROM INFORMATION FURNISHED IN A PRELIMINARY TITLE REPORT, PREPARED BY FIRST AMERICAN TITLE INSURANCE COMPANY, DATED MAY 27, 2020, ORDER NUMBER NCS-720714-M-SC. NO LIABILITY IS ASSUMED FOR MATTERS OF RECORD NOT STATED IN SAID PRELIMINARY TITLE REPORT THAT MAY AFFECT THE TITLE LINES, OR EXCEPTIONS, OR EASEMENTS OF THE PROPERTY.
- ADDITIONAL EASEMENTS MAY BE NECESSARY. ANY ADDITIONAL EASEMENT REQUIREMENTS WILL BE DETERMINED AS THE PROJECT EVOLVES.
- UTILITIES:
  - STORM DRAINAGE CITY OF MENLO PARK
  - SANITARY SEWER WEST BAY SANITARY DISTRICT
  - WATER MENLO PARK MUNICIPAL WATER
  - GAS PACIFIC GAS & ELECTRIC
  - ELECTRIC PACIFIC GAS & ELECTRIC
  - TELEPHONE AT&T
  - CABLE COMCAST
  - FIRE MENLO PARK FIRE PROTECTION DISTRICT

LEGEND & ABBREVIATIONS

- PROPERTY LINE
- ADJACENT PROPERTY LINE
- LOT LINE
- EXISTING EASEMENT LINE
- PUBLIC UTILITY EASEMENT



TENTATIVE MAP  
A FIVE LOT SUBDIVISION  
THREE LOTS FOR CONDOMINIUM PURPOSES

PROJECT DATA

- RECORD OWNER: SI 30, LLC, SI 60, LLC, & SOBRATO INTERESTS 3
- DEVELOPER: THE SOBRATO ORGANIZATION  
599 CASTRO STREET, SUITE 400  
MOUNTAIN VIEW, CA 94041  
PETER TSAI  
PHONE: (650) 876-7010
- MAP PREPARED BY: KER & WRIGHT CIVIL ENGINEERS & SURVEYORS, INC.  
3350 SCOTT BOULEVARD, BUILDING # 22  
SANTA CLARA, CA 95054  
RYAN M. AMAYA, LS 8152  
PHONE: (408) 727-6665
- A.P.N.: 055-236-140, 180, 240, 280, & 300
- EXISTING USE: INDUSTRIAL
- PROPOSED USE: RESIDENTIAL
- EXISTING ZONING: R-MU-B, RESIDENTIAL MIXED USE DISTRICT
- PROPOSED ZONING: NO CHANGE
- GENERAL PLAN: MIXED-USE RESIDENTIAL
- EXISTING NUMBER OF LOTS: 6
- PROPOSED NUMBER OF LOTS: 5
- PROPOSED NUMBER OF CONDOMINIUMS: 26 (LOT B)  
18 (LOT C)  
72 (LOT D)
- TOTAL ACREAGE: 8.15± ACRES
- ALL DISTANCES ARE APPROXIMATE.
- NO NEW PUBLIC STREET NAMES PROPOSED.
- BENCHMARK: CITY OF MENLO PARK 8M-CITY 2; BRONZE DISK EMBEDDED INTO THE TOP OF A CONCRETE CURB AT THE EASTERLY CURB RETURN OF THE SOUTHERLY CURB LINE OF CONSTITUTION DRIVE, EASTERLY OF JEFFERSON DRIVE. ELEVATION: 7.527' (NAVD 88 DATUM; ADDED 2.73 TO CONVERT FROM NAVD 29)
- BASE OF BEARINGS: THE BEARING OF NORTH 21°56'50" EAST TAKEN ON THE CENTER LINE OF CHRYSLER DRIVE AS SHOWN ON THAT CERTAIN MAP ENTITLED "BOHANNON INDUSTRIAL PARK UNIT NO. 4" FILED FOR RECORD ON MARCH 2, 1992 IN BOOK 56 OF MAPS AT PAGE 5, SAN MATEO COUNTY RECORDS, WAS TAKEN AS THE BASIS OF ALL BEARINGS SHOWN HEREON.
- FLOOD ZONE NOTE: THE SUBJECT PROPERTY IS SHOWN ON THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD INSURANCE RATE MAP (FIRM) FOR SAN MATEO COUNTY, CALIFORNIA, MAP NUMBER 06032DF FOR COMMUNITY NUMBER 06032 (CITY OF MENLO PARK), WITH A MAP REVISED DATE OF APRIL 5, 2019, AS BEING LOCATED IN FLOOD ZONE "AE" (EL. 11). ACCORDING TO FEMA THE DEFINITION OF ZONE "AE" (EL. 11) IS: AREAS OF THE 1% ANNUAL FLOOD (100-YEAR FLOOD), ALSO KNOWN AS THE BASE FLOOD, IS THE FLOOD THAT HAS A 1% CHANCE OF BEING EQUALLED OR EXCEEDED IN ANY GIVEN YEAR; BASE FLOOD ELEVATIONS DETERMINED. (ELEVATION 11')



3350 Scott Boulevard, Suite 22  
Mountain View, California 94041  
Phone: (408) 727-6665  
www.kierwright.com

123 Independence  
Menlo Park, CA

The Sobrato Organization  
599 Castro Street, Suite 400  
Mountain View, CA

Sheet Title:  
**EXISTING  
CONDITIONS**

Job No. 20004  
Date: 09/07/2022  
Scale: AS SHOWN  
Drawn By: MC

Sheet No.  
**TM1**

Z:\2019\123-INDEPENDENCE-VICINITY SURVEY\TMPS\TMPS-1-THRU-2-DWG.dwg 9-14-22 11:26:45 AM L65



**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

**I. Required Appraiser Qualifications**

1. California State Certified General Real Estate Appraiser.
2. Member of the Appraisal Institute (MAI) designation.
3. At least five years' experience appraising commercial and multi-family development land in the San Francisco Bay Area.

**II. Methodology for Life Science (LS) and Office (O) Districts**

**A. Base Level Value**

1. The subject of the appraisal is the parcel or parcels of land identified in the project application for the proposed project, which is also generally referred to as the project site. The subject of the appraisal is hereinafter referred to as the **"Subject Property."**
2. The City of Menlo Park shall determine the **"Base Level"** of development permitted on the Subject Property in accordance with the City's zoning and provide that information to the appraiser.
3. The Base Level of development permitted on the Subject Property shall be stated on a Gross Floor Area basis.
4. Gross Floor Area (**"GFA"**) is defined as the sum of the horizontal areas of all habitable floors including basements and mechanical areas within the surrounding exterior walls of a building covered by a roof measured to the outside surfaces of exterior walls or portions thereof on the Subject Property, excluding parking structures. For purposes of these instructions, City staff shall determine GFA based on this definition.
5. The appraiser shall determine the Market Value of the Subject Property, assuming it is fully entitled for the Base Level of development. **"Market Value"** is the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
6. For the Base Level, **"entitled"** means the Subject Property has all of the approvals necessary to immediately proceed with construction of the maximum GFA allowed by the zoning at the Base Level.
7. The **"GFA Per Square Foot Unit Value"** is defined as the sale price of the comparable divided by the GFA of the buildings proposed to be constructed on the property, or if there is no proposal, then the maximum GFA allowed by the zoning. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
8. The appraisal report shall include a **"Date of Value"** that is no more than 90 days from the date of the submission of the appraisal report to the City of Menlo Park.
9. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

10. The selected comparable sales used in valuing the Subject Property should be located in or as close to Menlo Park as reasonably available data allows.
11. The comparable sales should be as close to the Date of Value as reasonably available data allows.
12. The comparable sales should be as physically similar to the Subject Property as reasonably available data allows.
13. The intended use of the comparable sales by the buyer should be for mixed-use, commercial, office, life science or other similar non-residential uses.
14. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale's GFA Per Square Foot Unit Value.
15. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Base Level of development.
16. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
17. The resulting value conclusion for the Subject Property at the Base Level is the GFA Per Square Foot Unit Value times the maximum GFA allowed at the Base Level.
18. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ( $\$40,000,000 \div 200,000$ ). With respect to the Subject Property, the City of Menlo Park has determined that the Subject Property at the Base Level has an allowed maximum GFA of 100,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property GFA results in a Market Value of the Subject Property of \$20,000,000 ( $\$200 \times 100,000$ ).
19. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals, the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

**B. Bonus Level Value**

1. The Subject Property at the Bonus Level must be identical to the Subject Property at the Base Level. The Subject Property must remain identical.

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

2. The City of Menlo Park determines the “**Bonus Level**” of development permitted on the Subject Property in accordance with the City’s zoning and provides that information to the appraiser. The Bonus Level of development permitted on the Subject Property shall be stated on a GFA basis.
3. The appraiser shall determine the Market Value of the Subject Property assuming it is fully entitled for the Bonus Level of development.
4. For the Bonus Level, “**entitled**” means the Subject Property has all of the approvals necessary to immediately proceed with construction of the proposed project at the Bonus Level.
5. The Date of Value for the Bonus Level must be the same as the Date of Value for the Base Level.
6. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
7. The selected comparable sales used in valuing the Subject Property at the Bonus Level must be the same comparable sales previously used in valuing the Subject Property at the Base Level. Different comparable sales are not allowed. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
8. The appraiser shall not consider the community amenities requirement established under Menlo Park Municipal Code Section 16.43.070 or Section 16.44.070, as applicable, in determining the Market Value of the Subject Property under the Bonus Level of development.
9. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale’s GFA Per Square Foot Unit Value.
10. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Bonus Level of development.
11. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser’s conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
12. The resulting value conclusion for the Subject Property at the Bonus Level is the GFA Per Square Foot Unit Value times the GFA of the proposed project at the Bonus Level.
13. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ( $\$40,000,000 \div 200,000$ ). The proposed project on the Subject Property at the Bonus Level has a GFA of 150,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$30,000,000 ( $\$200 \times 150,000$ ).

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

14. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

**C. Value of the Amenity Conclusion**

1. The Market Value of the additional GFA proposed at the Bonus Level of development is calculated based on the Subject Property values as determined through the process outlined above.
2. The value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA proposed at the Bonus Level. The “**Value of the Amenity**” is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level.
3. Using the above examples, the Value of Amenity calculation would be as follows:

Value conclusion at the Bonus Level	\$30,000,000
Value conclusion at the Base Level	<u>-\$20,000,000</u>
Value of the Additional GFA Proposed	\$10,000,000
<b>Value of the Amenity</b>	<b>\$5,000,000</b>

**III. Methodology for Residential Mixed-Use (R-MU) District**

**A. Base Level Value for a Residential Development or the Residential Component of a Mixed-Use Project**

1. The subject of the appraisal is the parcel or parcels of land identified in the project application for the proposed project, which is also generally referred to as the project site. The subject of the appraisal is hereinafter referred to as the “**Subject Property**.”
2. The appraiser identifies the proposed project as either a for sale condominium or a rental project or a combination thereof. This determination needs to be consistent with the application for the proposed project.
3. The City of Menlo Park shall determine the “**Base Level**” of development permitted on the Subject Property in accordance with the City’s zoning and provide that information to the appraiser. This determination will include identification of both

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

the percentage and the number and the income level of required Below Market Rate (“**BMR**”) dwelling units required for the Subject Property at the Base Level pursuant to the City’s Below Market Rate Housing Program.

4. The Base Level of development permitted on the Subject Property shall be stated on a Gross Floor Area basis.
5. Gross Floor Area (“**GFA**”) is defined as the sum of the horizontal areas of all habitable floors including basements and mechanical areas within the surrounding exterior walls of a building covered by a roof measured to the outside surfaces of exterior walls or portions thereof on the Subject Property, excluding parking structures. For purposes of these instructions, City staff shall determine GFA based on this definition.
6. The appraiser shall determine the Market Value of the Subject Property, assuming it is fully entitled for the Base Level of development. “**Market Value**” is the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.
7. For the Base Level, “**entitled**” means the Subject Property has all of the approvals necessary to immediately proceed with construction of the maximum GFA allowed by the zoning at the Base Level.
8. The “**GFA Per Square Foot Unit Value**” is defined as the sale price of the comparable divided by the GFA of the buildings proposed to be constructed on the property, or if there is no proposal, then the maximum GFA allowed by the zoning. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
9. The appraisal report shall include a “**Date of Value**” that is no more than 90 days from the date of the submission of the appraisal report to the City of Menlo Park.
10. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
11. The selected comparable sales used in valuing the Subject Property should be located in or as close to Menlo Park as reasonably available data allows.
12. The comparable sales should be as close to the Date of Value as reasonably available data allows.
13. The comparable land sales should be as physically similar as reasonably available data allows.
14. The intended use of the comparable sales by the buyer should be the same as the proposed project, for use as a multi-family residential development.
15. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale’s GFA Per Square Foot Unit Value.
16. Additional analysis of the comparable sales on a per dwelling unit basis is also acceptable. The final conclusion shall be stated on a GFA Per Square Foot Unit Value basis.
17. The BMR requirement at the Base Level for the Subject Property versus the comparable sales may be a basis for adjustment.

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

18. After reasonable adjustment for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for a building or buildings at the Base Level of development.
19. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser's conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
20. The resulting value conclusion for the Subject Property at the Base Level is the GFA Per Square Foot Unit Value times the maximum GFA allowed at the Base Level.
21. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square foot of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ( $\$40,000,000 \div 200,000$ ). With respect to the Subject Property, the City of Menlo Park has determined that the Subject Property at the Base Level has an allowed maximum GFA of 100,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$20,000,000 ( $\$200 \times 100,000$ ).
22. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate Subject Property GFA Per Square Foot Unit Value, provided the appraiser provides sufficient analysis and explanation of any adjustments.

**B. Bonus Level Value for a Residential Development or the Residential Component of a Mixed-Use Project**

1. The Subject Property at the Bonus Level must be identical to the Subject Property at the Base Level. The Subject Property must remain identical.
2. The City of Menlo Park shall determine the "**Bonus Level**" of development permitted on the Subject Property in accordance with the City's zoning and provide that information to the appraiser. The BMR requirement, stated in both percentage and number and income level, at the Bonus Level shall be determined pursuant to the City's Below Market Rate Housing Program.
3. The Bonus Level of development permitted on the Subject Property shall be stated on a GFA basis.
4. The appraiser shall determine the Market Value of the Subject Property assuming it is fully entitled for the Bonus Level of development.

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

5. For the Bonus Level, “**entitled**” means the Subject Property has all of the approvals necessary to immediately proceed with construction of the proposed project at the Bonus Level.
6. The Date of Value for the Bonus Level is to be the same as the Date of Value for the Base Level.
7. The only allowed methodology is the sales comparison approach. A land residual analysis is not acceptable.
8. The selected comparable sales used in valuing the Subject Property for the Bonus Level must be the same comparable sales previously used in valuing the Subject Property at the Base Level. Different comparable sales are not allowed. The comparable sale prices shall be measured on a GFA Per Square Foot Unit Value basis.
9. Additional analysis of the comparable sales on a per dwelling unit basis is also acceptable. The final conclusion shall be stated on a GFA Per Square Foot Unit Value basis.
10. The appraiser shall not consider the community amenities requirement established under Menlo Park Municipal Code Section 16.45.070 in determining the Market Value of the Subject Property at the Bonus Level of development.
11. Where a comparable sale is not fully entitled, the appraiser may make an upward adjustment to the comparable sale’s GFA Per Square Foot Unit Value.
12. After reasonable adjustments for differences between the comparable sales and the Subject Property, the appraiser shall conclude a GFA Per Square Foot Unit Value most reflective of the Subject Property assuming the Subject Property is fully entitled for the proposed project at the Bonus Level, including the required percentage/number of BMR units pursuant to the to the City’s Below Market Rate Housing Program.
13. The appraiser shall include sufficient analysis and explanation of any adjustments made to the comparable sales such that the reader can follow the logic in arriving at the appraiser’s conclusion regarding the GFA Per Square Foot Unit Value of the Subject Property.
14. The resulting value conclusion for the Subject Property under the Bonus Level is the GFA Per Square Foot Unit Value times the GFA of the proposed project at the Bonus Level.
15. For example, assume Comparable Sale 1 sold for \$40,000,000 and it has approvals (or if no approvals, then the GFA identified in an existing application or the maximum GFA zoning would allow) for a building with 200,000 square feet of GFA. The GFA Per Square Foot Unit Value of the comparable is thus \$200 ( $\$40,000,000 \div 200,000$ ). The proposed project on the Subject Property at the Bonus Level has a GFA of 150,000 square feet. Applying the comparable sale GFA Per Square Foot Unit Value to the Subject Property results in a Market Value of the Subject Property of \$30,000,000 ( $\$200 \times 150,000$ ).
16. The above is a simple hypothetical example to illustrate the required methodology. It is not intended to imply the appraiser should rely on a single comparable. Also, if a comparable sale does not yet have a proposed project application or approvals

**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

the GFA should be based on the maximum GFA allowed by the zoning. Further, the appraiser is allowed to make reasonable adjustments to the comparable sale GFA Per Square Foot Unit Value data in comparison to the Subject Property in arriving at the appropriate GFA Per Square Foot Unit Value of the Subject Property, provided the appraiser provides sufficient analysis and explanation of any adjustments.

**C. Value of Amenity Conclusion for a Residential Development or the Residential Component of a Mixed-Use Project**

1. The Market Value of the additional GFA proposed at the Bonus Level of development is calculated based on the Subject Property values as determined through the process outlined above.
2. The value conclusion at the Base Level is subtracted from the value conclusion at the Bonus Level. The result is the Market Value of the additional GFA proposed at the Bonus Level. The **“Value of the Amenity”** is 50 percent of the Market Value of the additional GFA proposed at the Bonus Level.
3. Using the above examples, the Value of Amenity calculation would be as follows:

Value conclusion at the Bonus Level	\$30,000,000
Value conclusion at the Base Level	<u>-\$20,000,000</u>
Value of the Additional GFA Proposed	\$10,000,000
<b>Value of the Amenity</b>	<b>\$5,000,000</b>

**D. For Non-Residential Component of Mixed-Use Project**

1. This step is not applicable to Residential Developments.
2. For the non-residential portion of a mixed-use project in the R-MU District, the appraiser shall follow the methodology above for the Office (O) District in reaching a Value of the Amenity conclusion.

**E. Value of Amenity Conclusion R-MU District Combined Residential and Non-Residential Component of Mixed-Use Project**

1. The resulting Value of the Amenity conclusion for the non-residential component of a mixed-use project shall be added to the Value of the Amenity conclusion for the residential portion of the mixed-use project, without discount to either value conclusions, to determine the total Value of the Amenity to be provided.



**CITY OF MENLO PARK - APPRAISAL INSTRUCTIONS  
TO DETERMINE THE VALUE OF COMMUNITY AMENITIES  
UNDER BONUS LEVEL ZONING**

**IV. Methodology for Projects That Include Multiple Zoning Districts**

1. For master planned projects that include multiple zonings of R-MU, LS and/or O Districts the appraiser shall follow the methodology above for each separate component. The resulting value conclusions shall be added together without discount resulting in the defined Market Value for the entire Subject Property.

## **Addendum C**

### **Comparable Data**



## Land Sales



**Land Sale Comparable 1**  
**Adrian Court**

**Location Data**

Location	1 & 45 Adrian Court
City, State	Burlingame, CA
Market	CA - San Mateo
Submarket	San Mateo Metro
County	San Mateo
APN	025-169-340, 025-169-999



**Physical Data**

Property Type	Land (MF Residential)
Use at Sale	Proposed
Proposed Use	MF Residential
Acres	2.83 Acres
Land SF	123,275 SF
Useable Acres	2.83 Acres
Useable Land SF	123,275 SF
Frontage	0
Visibility	Good
Topography	Generally Level
Shape	Rectangular
Corner/Interior Location	Corner
Flood Zone	0 Feet (Avg.)
Utilities	Electricity, Gas, Sewer, Water
Offsite/Onsite Costs	0
Zoning	North Rollins Mixed-Use
Allowable Bldg Area	223,128 SF
Allowable Bldg Units	265
Verification	Confirmed-Seller Broker

**Sale Data**

Transaction Type	Closed
Date	September 15, 2021
Marketing Time	N/A
Grantor	Summerhill
Grantee	Carmel
Document No.	0
Price	\$33,112,500
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
<b>Adjusted Price</b>	<b>\$33,112,500</b>

**Analysis**

Price per Acre	\$11,700,511
Price Per SF	\$268.61
Price per Unit	\$124,953
Price per FAR	\$148.40

**Comments**

The subject site has 2.83 acres of land zoned for mixed-use development. Carmel purchased the property from Summerhill for a total consideration of \$33,112,500 (approximately \$125,000/ unit) in September of 2021. The City of Burlingame approved the application in September 2019 for construction of a new seven-story, 265-unit mixed-use development at 1 and 45 Adrian Court, within the North Rollins Road Mixed Use area. The project consists of two parcels that currently include two commercial buildings, surface parking, and landscaping. The project entails the demolition of these features and the merging of the two parcels to create a 2.83-acre site for a seven-story, 265-unit mixed use development. Approximately 14.3 percent of the residential units (38 units) would be designated for low income households. The project would include 3,701 square feet of commercial/office space on the ground floor and a publicly accessible private park. Parking would be provided in an at-grade garage, containing two levels of parking for a total of 314 parking spaces.



**Land Sale Comparable 2**

**Menlo Portal (MF)**

**Location Data**

Location	110 Constitution Drive
City, State	Menlo Park, CA
Market	CA - San Mateo
Submarket	San Mateo Metro
County	San Mateo
APN	055-236-019 and -020



**Physical Data**

Property Type	Land (MF Residential)
Use at Sale	Proposed
Proposed Use	MF Residential
Acres	1.95 Acres
Land SF	84,942 SF
Useable Acres	1.95 Acres
Useable Land SF	84,942 SF
Frontage	0
Visibility	Average
Topography	Level
Shape	Generally Rectangular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	0
Offsite/Onsite Costs	8550000
Zoning	R-MU-B
Allowable Bldg Area	326,816 SF
Allowable Bldg Units	335
Verification	Confirmed-Buyer

**Sale Data**

Transaction Type	Closed
Date	January 29, 2021
Marketing Time	N/A
Grantor	Coyne Patrick Living Trust & Studio RED
Grantee	GS MP Portal Owner LLC
Document No.	14735
Price	\$29,700,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$8,550,000
Adjusted Price	\$38,250,000

**Analysis**

Price per Acre	\$19,615,385
Price Per SF	\$450.31
Price per Unit	\$114,179
Price per FAR	\$117.04

**Comments**

This is a sale of land proposed for redevelopment with a multifamily use containing a total of 335 units, of which 48 (15%) will be comprised of affordable housing units. The total site area is 1.95 acres or 84,942 square feet, spanning across 2 neighboring parcels. Menlo Portal Apartments is located at 110 Constitution Drive & 115 Independence Drive in Menlo Park, two miles from the Facebook campus. Nearby major employers include Evernote, Google and Stanford University. The property is located about 3 miles from the Menlo Park downtown, 0.1 miles from access to U.S. Route 101 and just over 3 miles from the Menlo Park Caltrain station. Entitlements for Menlo Portal have been in process since 2017 and were anticipated to be fully approved by mid-year 2021. The leases at the existing industrial buildings have been extended on a month-to-month basis while the developer secures permits. The multifamily parcels were part of an assemblage purchase comprised of three parcels - (104 Constitution Drive: \$16,500,000; 110 Constitution Drive: \$16,000,000; 115 Independence Drive: \$13,700,000). 104 Constitution Drive is part of the larger Menlo Portal development and will be redeveloped with an office building. Buyer paid a \$8,550,000 Community Amenities Fee to attain bonus density.



**Land Sale Comparable 3**  
**Uptown Menlo Park**

Location Data	
Location	141 Jefferson Drive
City, State	Menlo Park, CA
Market	CA - San Mateo
Submarket	San Mateo Metro
County	San Mateo
APN	055-242-140, 055-242-030, and 055-242-04



Physical Data	
Property Type	Land (MF Residential)
Use at Sale	Proposed
Proposed Use	MF Residential
Acres	4.83 Acres
Land SF	210,395 SF
Useable Acres	4.83 Acres
Useable Land SF	210,395 SF
Frontage	0
Visibility	Average
Topography	Generally Level
Shape	Irregular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	Electricity, Gas, Sewer, Water
Offsite/Onsite Costs	8900000
Zoning	R-MU-B
Allowable Bldg Area	469,046 SF
Allowable Bldg Units	483
Verification	Confirmed-Other

Sale Data	
Transaction Type	Closed
Date	December 10, 2020
Marketing Time	N/A
Grantor	Ragno & Assoc, B Battagin & InfoIMAGE, Inc.
Grantee	Greystar
Document No.	142860
Price	\$75,100,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$8,900,000
<b>Adjusted Price</b>	<b>\$84,000,000</b>

Analysis	
Price per Acre	\$17,391,304
Price Per SF	\$399.25
Price per Unit	\$173,913
Price per FAR	\$179.09

**Comments**  
 The subject site has 4.83 acres of land zoned R-MU-B. Greystar purchased the land from Ragno & Assoc, B Battagin & InfoIMAGE, Inc. for a total consideration of \$75,100,000. This was an assemblage of three parcels that will be part of the proposed Menlo Uptown project. The proposal is to demolish three existing office and industrial buildings and redevelop the three-parcel site with 483 multi-family dwelling units, comprised of 441 rental units split between two seven-story apartment buildings and approximately 2,940 square feet of office uses located on the ground floor of one of the proposed buildings, and 42 for-sale townhome-style condominium units, located in the R-MU-B (Residential Mixed Use, Bonus) zoning district. 73 units (15%) will be designated as affordable units. The buyer paid an \$8,900,000 Community Amenities Fee in order to obtain bonus density.



**Land Sale Comparable 4**  
**1555 W Middlefield Rd**

Location Data	
Location	1555 West Middlefield Road
City, State	Mountain View, CA
Market	CA - San Jose/Silicon Valley
Submarket	San Jose/Silicon Valley
County	Santa Clara
APN	150-15-006



Physical Data	
Property Type	Land (MF Residential)
Use at Sale	Proposed
Proposed Use	MF Residential
Acres	5.44 Acres
Land SF	236,972 SF
Useable Acres	5.44 Acres
Useable Land SF	236,972 SF
Frontage	0
Visibility	Good
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	0
Offsite/Onsite Costs	0
Zoning	R3-2 Multiple Family Residential
Allowable Bldg Area	246,451 SF
Allowable Bldg Units	115
Verification	Confirmed-Seller Broker

Sale Data	
Transaction Type	Closed
Date	December 10, 2020
Marketing Time	N/A
Grantor	Calson Properties Inc.
Grantee	Summer Hill Housing Group
Document No.	0
Price	\$81,000,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$81,000,000

Analysis	
Price per Acre	\$14,889,354
Price Per SF	\$341.81
Price per Unit	\$704,348
Price per FAR	\$328.67

**Comments**

The project site is located on the west side of W. Middlefield Road, between Burgoyne Street and San Pierre Way, on a 5.44-acre site. The project would demolish the existing apartment buildings/structures and construct 20 rowhouse buildings with 115 for-sale residential units with vehicle access via two full-access driveways on San Ramon Avenue. This area contains a mix of multi-family, single-family residential and office and Crittenden Middle School across W. Middlefield Road. The site currently contains 13 two-story apartment buildings with 116 existing apartment units. The proposed project is a three-story, 115 rowhouse development, in 20 separate buildings. The project proposes three and four bedroom units, with an average living area of 1,659 square feet. Materials include stucco, tile roofs, metal railings, balconies in a "Spanish California" style. The site was fully entitled at the time of sale.



**Land Sale Comparable 5**  
**Proposed Apartment Complex**

**Location Data**

Location	1095 Rollins Road
City, State	Burlingame, CA
Market	CA - San Mateo
Submarket	San Mateo Metro
County	San Mateo
APN	026-231-250



**Physical Data**

Property Type	Land (MF Residential)
Use at Sale	Proposed
Proposed Use	MF Residential
Acres	1.08 Acres
Land SF	46,827 SF
Useable Acres	1.08 Acres
Useable Land SF	46,827 SF
Frontage	0
Visibility	Good
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	0
Offsite/Onsite Costs	0
Zoning	R-4 - High Density Residential
Allowable Bldg Area	193,864 SF
Allowable Bldg Units	150
Verification	Confirmed-Buyer Broker

**Sale Data**

Transaction Type	Closed
Date	November 2, 2020
Marketing Time	N/A
Grantor	Hanover
Grantee	Prometheus
Document No.	122571
Price	\$18,750,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$18,750,000

**Analysis**

Price per Acre	\$17,441,860
Price Per SF	\$400.41
Price per Unit	\$125,000
Price per FAR	\$96.72

**Comments**

Prometheus Real Estate Group acquired this fully entitled multifamily development site located at 1095 Rollins Rd., in Burlingame, CA from Hanover Company for \$18.75 million or about \$400 psf. The City of Burlingame has approved an application for the construction that includes merging two parcels to create a 46,827 square foot site, demolishing the existing structures and constructing a new 6-story, 150-unit apartment building. The project would include a subterranean garage containing surface, tandem and stacked parking for 195 off-street parking spaces, with approximately 175 of the spaces provided in stackers. The units would include studio, one-bedroom, two-bedroom and three-bedroom units, with 10% (15 units) designated affordable for moderate income households, and therefore the project includes a request to use the State Density Bonus, including waivers and incentives.





**Land Sale Comparable 6**  
**The Landmark**

Location Data	
Location	925 South Wolfe Road
City, State	Sunnyvale, CA
Market	CA - San Jose/Silicon Valley
Submarket	San Jose/Silicon Valley
County	Santa Clara
APN	211-14-034



Physical Data	
Property Type	Land (MF Residential)
Use at Sale	Under Construction
Proposed Use	MF Residential
Acres	5.34 Acres
Land SF	232,610 SF
Useable Acres	5.34 Acres
Useable Land SF	232,610 SF
Frontage	0
Visibility	Average
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	0
Offsite/Onsite Costs	0
Zoning	R3
Allowable Bldg Area	223,306 SF
Allowable Bldg Units	128
Verification	Secondary Verification

Sale Data	
Transaction Type	Closed
Date	November 25, 2020
Marketing Time	N/A
Grantor	Summerhill
Grantee	Landsea
Document No.	24725875
Price	\$68,500,000
Financing Terms:	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$68,500,000

Analysis	
Price per Acre	\$12,827,737
Price Per SF	\$294.48
Price per Unit	\$535,156
Price per FAR	\$306.75

**Comments**

In October 2020, SummerHill purchased a Sunnyvale apartment complex slated for redevelopment. The Landmark, a 130-unit complex, sold for \$58 million, or about \$446,000 per unit. The seller was Palo Alto, Calif.-based Pacific Urban Residential. Located at 925 S. Wolfe Road, The Landmark was originally constructed in 1974 and is comprised of seven, two-story buildings on a 5.47-acre lot. The existing structures would be demolished to make way for SummerHill's new project, which was approved by the Sunnyvale officials in the fall of 2019. Units will be a mix of two-, three- and four-bedroom homes ranging in size from about 1,100 square feet to just over 2,000 square feet. In November 2020, Summerhill quickly re-sold the entitled condominium site to Landsea for \$68.5M. The Landsea project will include 128 townhomes with 20 (16%) below market rate units.



**Land Sale Comparable 7**  
**Waters Park**

Location Data	
Location	1-3 Waters Park Drive
City, State	San Mateo, CA
Market	CA - San Mateo
Submarket	San Mateo Metro
County	San Mateo
APN	0



Physical Data	
Property Type	Land (MF Residential)
Use at Sale	Planned
Proposed Use	MF Residential
Acres	11.13 Acres
Land SF	484,638 SF
Useable Acres	11.13 Acres
Useable Land SF	484,638 SF
Frontage	0
Visibility	Good
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	0
Offsite/Onsite Costs	0
Zoning	R3
Allowable Bldg Area	436,174 SF
Allowable Bldg Units	190
Verification	Secondary Verification

Sale Data	
Transaction Type	Closed
Date	June 5, 2020
Marketing Time	N/A
Grantor	Strada
Grantee	Pulte
Document No.	51757
Price	\$106,000,000
Financing Terms	
Price Adjustments For:	
Financing	\$0
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$106,000,000

Analysis	
Price per Acre	\$9,527,441
Price Per SF	\$218.72
Price per Unit	\$557,895
Price per FAR	\$243.02

**Comments**  
 This property was purchased with final map approvals in place. There are 190 total units planned for the site with 28 detached single family homes. Ten percent of the units will be designated affordable.



## **Addendum D**

### **Appraiser Qualifications and Licenses**





# John P. Walsh

MAI, MRICS

Senior Vice President

CA Appraiser License #AG003248

t 650-358-5263

m 415-505-6388

john.walsh@nmrk.com

## YEARS OF EXPERIENCE

30+

## AREAS OF SPECIALTY

Valuation & Advisory

Industrial

Office

Multifamily

Life Science

Complex Mixed-Use Assets

John P. Walsh, MAI, MRICS, is a Senior Vice President at Newmark Valuation & Advisory in the San Mateo office. John brings to his position more than 30 years of experience valuing and advising on institutional and corporate real estate throughout Northern California.

Prior to joining Newmark in 2017, John worked for 10 years in the Cushman & Wakefield Valuation & Advisory Services Group, where he served in a variety of professional roles. Most recently, he was a Senior Director in the San Francisco office. In this role, he was responsible for appraisal and consulting services for most types of income-producing and commercial properties, including affordable housing, development land, educational facilities, hotels and motels, industrial, multifamily, mixed-use, office, residential subdivisions, retail, senior housing and special-use properties. The intended use of these assignments included mortgage lending, corporate advisory, disposition and acquisition, tax appeal, litigation and rent arbitration.

John has been appraising commercial real estate since 1988 and has valued over \$50 billion in real estate. He previously held professional and managerial positions with Hamilton, Ricci & Associates, Security Pacific Bank (acquired by Bank of America), First Deposit Bank (acquired by Wells Fargo) and The Pacific Bank (acquired by City National Bank).

## Partial List of Significant Assignments

- 23-acre urban mixed-use redevelopment site (San Francisco, CA)
- 1.25 million SF trophy office building (San Francisco, CA)
- 1.0 million SF trophy office building (San Francisco, CA)
- 750,000 SF trophy office building (San Francisco, CA)
- 656-unit high-rise condominium complex (San Francisco, CA)
- 250,000 SF urban retail center (San Francisco, CA)
- 85,000 SF urban retail center (San Francisco, CA)
- Proposed 800,000 SF office complex (Burlingame, CA)
- 320,000 SF adaptive reuse project (San Francisco, CA)
- 105,000 SF historic landmark (San Francisco, CA)

## Licenses and Designations

- Member, Appraisal Institute (MAI)
- Member, Royal Institution of Charter Surveyors (MRICS)
- Certified general real estate appraiser, state of California

## Education

John earned a Master of Business Administration degree in management from Golden Gate University and a Bachelor of Science degree in finance from Santa Clara University. He has also completed the requirements of the Appraisal Institute's continuing education program.



Business, Consumer Services & Housing Agency  
**BUREAU OF REAL ESTATE APPRAISERS**  
**REAL ESTATE APPRAISER LICENSE**

**John P. Walsh**

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 003248

Effective Date: October 17, 2022

Date Expires: October 16, 2024

Loretta Dillon, Deputy Bureau Chief, BREA

3066150

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

bae urban economics

Fiscal Impact Analysis Report for  
Proposed 123 Independence Project

Prepared for the City of Menlo Park  
October 28, 2022

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# EXECUTIVE SUMMARY

This report presents the findings from a Fiscal Impact Analysis (FIA) of the proposed residential development at 123 Independence Drive in Menlo Park (Proposed Project). The Proposed Project would include 316 multifamily rental apartments and 116 for-sale townhomes on an 8.5-acre site.

The FIA addresses the anticipated net increase in revenues and expenditures and the resulting net fiscal impact of the Proposed Project on the following:

- City of Menlo Park General Fund,
- Menlo Park Fire Protection District,
- School districts that serve the project site, and
- Other special districts that serve the project site.

Selected FIA findings are summarized in the following table. As shown below, the Proposed Project would have a negative net fiscal impact on the City of Menlo Park’s annual General Fund operating budget, with new General Fund expenditures exceeding new General Fund revenues by approximately \$570,500 annually. This annual fiscal deficit is equal to approximately 0.7 percent of the City’s 2022/23 Fiscal Year General Fund operating budget. The Proposed Project is also projected to have negative net fiscal impacts on the Menlo Park Fire Protection District, Redwood City Elementary School District, and the Sequoia Union High School District. The net fiscal impact to the Menlo Park Fire Protection District represents 0.4 percent of the District’s 2022/23 Fiscal Year General Fund budget. The projected annual fiscal deficits for the school districts represent approximately 0.2 percent of Redwood City School District’s 2022/23 unrestricted General Fund budget and approximately 0.7 percent of Sequoia Union High School District’s 2022/23 unrestricted General Fund budget.

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## Selected Net Fiscal Impact Findings for the Project at Buildout

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<i>All figures in 2022 dollars</i>				
<b>ANNUAL IMPACTS</b>	<b>City of Menlo Park</b>	<b>Menlo Park Fire Protection District</b>	<b>Redwood City Elementary District</b>	<b>Sequoia Union High School District</b>
<b>Project</b>				
New Revenues	\$501,686	\$408,321	\$689,036	\$472,055
New Expenditures	(\$1,072,139)	(\$657,401)	(\$865,696)	(\$1,413,433)
<b>Net Fiscal Impact</b>	<b>(\$570,453)</b>	<b>(\$249,080)</b>	<b>(\$176,659)</b>	<b>(\$941,378)</b>

See report for explanation of Project, methodology, and limiting conditions.

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Source: BAE, 2022.

# INTRODUCTION

The City of Menlo Park (City) is evaluating the proposed 123 Independence Project (Proposed Project) and engaged BAE Urban Economics, Inc. (BAE) to conduct a Fiscal Impact Analysis (FIA) to inform the City's evaluation of the Proposed Project. Like most new development, the Proposed Project is expected to increase demands on local government services and infrastructure and generate new revenues for local government through additional taxes and fees. This report provides an analysis of the effects that the Proposed Project would have on local expenditures and revenues in order to estimate the net fiscal impact that the Proposed Project would generate. The FIA addresses the fiscal impacts to the City's General Fund as well as impacts to special districts that provide services to residents and businesses in Menlo Park. Except as otherwise noted in the text, the annual ongoing fiscal impact of the proposed project is described in constant 2022 dollars, based on the future point in time when the project would be fully built out and occupied.

## Project Description

The Proposed Project would include construction of a new 4-story, 5-level multifamily building with 316 rental apartments and 116 for-sale townhomes on five existing parcels located at 119 Independence Drive, 123-125 Independence Drive, 127 Independence Drive, 1205 Chrysler Drive, and 130 Constitution Drive in Menlo Park. The Project site is approximately 8.5 acres in size and currently contains five office and light industrial buildings (approximately 103,900 square feet). All existing buildings would be demolished as part of the Proposed Project.

Table 1 summarizes the development program for the Proposed Project at buildout. As shown, at buildout the Proposed Project would deliver a total of 432 new residential units. The residential units would include a total of 66 below market-rate (BMR) units, including 48 BMR apartments and 18 BMR townhomes.

Table 1 also shows the growth in new residents, change in employment, and the service population associated with the Proposed Project. The analysis defines the City's service population as all residents plus one third of the employees who work within the City. Calculating service population in this way reflects the fact that employees, who generally spend less time in the community than residents, tend to generate a smaller share of demand for services. As shown, the new residential units in the Proposed Project would accommodate 1,110 residents at buildout. Overall, the Proposed Project would result in a net increase of 1,061 service population members after accounting for the existing employment on the Project site (148 employees).

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**Table 1: Development Program at Project Buildout**

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	<b>123 Independence Project</b>
<b>New Residential Units</b>	<b>432</b>
Multifamily Apartments	316
Market-Rate Units	260
Affordable Units	56
Townhomes	116
Market-Rate Units	98
Affordable Units	18
<b>New Residential Building Area (gsf)</b>	<b>476,962</b>
Multifamily Apartments	289,223
Townhomes	187,739
<b>Existing Square Footage to be Demolished</b>	<b>103,983</b>
<b>New Service Population (a)</b>	<b>1,110</b>
New Residents	1,110
New Employees	0
<b>Existing Service Population (a)</b>	<b>(49)</b>
Existing Residents	0
Existing Employees	(148)
<b>Net Change in Service Population (a)</b>	<b>1,061</b>
Net Change in Residents	1,110
Net Change in Employees	(148)

---

**Notes:**

(a) Service population equals the resident population plus a portion of the employment population to reflect the reduced service demand from commercial uses. To estimate service population, each employee is multiplied by 1/3.

(b) Based on an assumed average 2.57 persons per household.

Sources: City of Menlo Park; BAE, 2022.

# GENERAL FUND FISCAL IMPACTS

This section of the report summarizes the projected ongoing annual fiscal impacts from the Proposed Project. The analysis is focused on the City of Menlo Park’s General Fund, as this represents the portion of the City’s budget that finances key public services. To pay for these services, the City’s General Fund is dependent on discretionary revenue sources such as property taxes, sales taxes, transient occupancy taxes, and various local fees and taxes. The following sections detail the scope of the analysis and the underlying methodologies and assumptions used to estimate fiscal impacts from the Proposed Project.

## Fiscal Impact Analysis Methodology

This fiscal impact analysis (FIA) uses a variety of methods to estimate the projected change in General Fund revenues and service costs that would be associated with the Proposed Project. The cost of providing municipal services is often based on the number of persons served (or “service population”), as are some sources of municipal revenues. In general, as the service population increases, there is a need to hire additional public safety and other government employees, as well as a need to increase spending on equipment and supply budgets. Some municipal revenues, such as franchise fees and fines, also generally increase as the service population increases. The analysis therefore relies in large part on an average cost and average revenue approach, based on the City’s current costs and revenues per member of the current service population. This approach is standard practice for fiscal impact analyses and assumes that future development would generate costs and revenues at the same average rate as the existing service population.

As shown in Table 2, the City’s existing service population consists of 33,034 residents and 35,471 employees, resulting in a total service population of 44,858 (100 percent of residents plus one-third of employees). The fiscal impact analysis uses this service population figure to derive current expenditures and revenues per service population member.

**Table 2: Current Service Population, City of Menlo Park**

<b>City of Menlo Park</b>	<b>2022</b>
Residents (a)	33,034
Employees (b)	35,471
<b>Service Population (c)</b>	<b>44,858</b>

Notes:

(a) California Department of Finance January 2022 population estimate.

(b) Esri estimate.

(c) Service population equals the resident population plus a portion of the employment population to reflect the reduced service demand from commercial uses. To estimate service population, each employee is multiplied by 1/3.

Sources: California Department of Finance; Esri Business Analyst; BAE, 2022.

While an average revenue approach is appropriate for some revenue sources, other major sources of revenue such as property taxes, property tax in-lieu of vehicle license fee revenues, and sales taxes are projected based on statutory requirements and other factors normally used to allocate revenues from these sources to the City of Menlo Park. Additional methodological details and assumptions are provided in the discussions of individual cost and revenue projections below.

Except where noted in this report, all cost and revenue projections are expressed in 2022 dollars at a future point in time when the Proposed Project would be fully built out and occupied.

## **Projected Annual Revenue Impacts**

The following subsections provide an overview of the major General Fund revenue sources that would be impacted by the Proposed Project and the estimated revenue that the Proposed Project would generate from each source. This section also details the assumptions and methodology used to estimate the revenue impacts associated with the Proposed Project.

### ***Sales Taxes***

The Proposed Project would generate sales tax revenue for the City of Menlo Park as the residents that move into the residential units in the Proposed Project make taxable purchases at city retailers, such as purchasing lunch and other convenience goods. At the same time, the Proposed Project would result in the demolition of existing non-residential space and the resulting removal of workers from the project site. To the extent that these workers currently make taxable purchases in Menlo Park, this would result in a decrease in taxable purchases by people that work in Menlo Park.

Taxable transactions that take place in the City of Menlo Park are subject to a 9.25-percent sales tax. This total includes the statutory 1.0-percent Bradley-Burns sales tax, of which 95 percent (i.e., 0.95 percent of the sale price) accrues to the City of Menlo Park while the remaining five percent (i.e., 0.05 percent of the sale price) accrues to San Mateo County. Apart from the City's share of the Bradley-Burns sales tax, all other sales tax revenues from taxable transactions that take place in Menlo Park accrue to other governmental agencies, including the State of California.

**Taxable Sales from Resident Spending.** To estimate taxable sales from new resident spending in Menlo Park, this analysis relies on taxable sales data provided by the California Department of Tax and Fee Administration for retailers in Menlo Park and a larger "benchmark area" consisting of the two counties of San Mateo and Santa Clara. According to the data shown in Table 3, annual taxable retail sales in the two-county area average \$15,043 per person, compared to only \$8,106 per person in Menlo Park. The lower per capita sales volume in Menlo Park indicates that retail sales are "leaking" out of the City. Retail leakage indicates that, of the \$15,043 in typical average taxable purchases per Menlo Park resident, a portion is spent in locations outside of Menlo Park due to a shortage of retailers in Menlo Park to meet the demand for retail goods in

specific categories or the presence of retailers outside by near City limits that are capturing “leaked” sales.

Table 3 shows that Menlo Park experiences leakages in several retail categories, including home furnishings and appliances, clothing and clothing accessories, food services and drinking places, and “other retail”. For these categories, the analysis uses the per-capita spending figure for Menlo Park to estimate retail sales by Menlo Park residents at retailers and restaurants in Menlo Park. The remainder of resident spending in those categories is assumed to occur outside of Menlo Park.

Meanwhile, the data in Table 3 also indicate that the City experiences an “injection” of retail sales in some categories (i.e., food and beverage stores and gasoline stations), with per-capita taxable sales in Menlo Park exceeding the average for the two-county area. This indicates that there are likely enough retailers in these categories in Menlo Park to meet the demand from Menlo Park residents, and that people that live outside of Menlo Park likely make a portion of their purchases in these categories at locations in Menlo Park. However, while the data indicate that there are enough retailers in Menlo Park to capture all resident sales in these categories, it is likely that residents will nevertheless make a portion of their purchases in these categories outside of Menlo Park. The analysis assumes that retailers in Menlo Park will capture 85 percent of new resident taxable sales in these retail categories, with the remainder spent at locations outside of Menlo Park. This is meant to provide a more conservative analysis and account for the fact that some taxable sales in Menlo Park are likely due to spending by people that are not Menlo Park residents.

Applying these capture rates results in an estimate that the new Menlo Park residents generated by the Proposed Project will spend \$6,491 per year in taxable purchases at locations in Menlo Park, with the remainder of their \$15,043 in total estimated annual per-capita spending occurring in locations outside of Menlo Park. This total is smaller than the \$8,106 per year in per-capita taxable sales that occur in Menlo Park to account for the fact that some of the sales that occur in Menlo Park are due to spending by people that are not Menlo Park residents, particularly in categories where Menlo Park experiences an injection of taxable sales and are therefore not affected by residential growth. This figure (\$6,491 per resident per year) was multiplied by the estimated number of new residents in the Proposed Project to estimate the total annual taxable sales in Menlo Park generated by new resident spending.

**Table 3: Estimated Annual Taxable Expenditures per Resident**

Business Category	2021 Taxable Sales per Capita (a)		Sales Leakage (b)	Estimated % of Resident Taxable Sales in City (c)	Estimated New Sales in City (d)
	Menlo Park	San Mateo & Santa Clara Counties			
Retail and Food Services					
Home Furnishings & Appliance Stores	\$693	\$933	26%	74%	\$693
Food and Beverage Stores	\$1,693	\$824	-105%	85%	\$701
Gasoline Stations	\$1,502	\$1,165	-29%	85%	\$990
Clothing & Clothing Accessories Stores	\$350	\$1,086	68%	32%	\$350
Food Services and Drinking Places	\$2,286	\$2,559	11%	85%	\$2,175
Other Retail	<u>\$1,581</u>	<u>\$8,475</u>	81%	19%	<u>\$1,581</u>
<b>Total (e)</b>	<b>\$8,106</b>	<b>\$15,043</b>			<b>\$6,491</b>

Notes:

(a) 2021 data inflated to 2022 dollars. Population estimates for 2021 per the California Department of Finance:

Menlo Park: 33,509

San Mateo County: 751,596

Santa Clara County: 1,907,693

(b) Retail spending for Menlo Park residents is assumed to be equal to per capita spending patterns for the two counties. If Menlo Park residents spend fewer dollars per capita than in San Mateo and Santa Clara Counties, the analysis assumes the difference leaks out to other shopping centers in the two counties. A zero percent leakage indicates that residents can get all shopping needs met in Menlo Park. Negative figures indicate that Menlo Park receives a net injection, i.e. more sales than are likely attributable to just Menlo Park residents.

(c) Based on data in column (b); estimates the percentage of resident spending within a category that will occur in Menlo Park. While zero percent or negative leakage indicates residents could meet their shopping needs within the City, shoppers are still likely to seek goods and services outside Menlo Park. To be conservative, the maximum capture rate has been estimated at 85 percent of sales.

(d) Equals (Taxable Sales per Capita in San Mateo & Santa Clara Counties) x (Estimated % of Resident Sales in City). Assumes that Menlo Park will capture most of new residents' retail spending in categories with low/no leakage and will capture little spending in high leakage categories, based on current spending patterns, and assumes that the mix of retail offerings in Menlo Park remains relatively consistent.

(e) Total does not include taxable sales in the category classified as "All Other Outlets", as these taxable sales consist primarily of business-to-business sales taxes that would not be impacted by resident population growth.

Sources: CA Department of Finance; CA Department of Tax and Fee Administration; BAE, 2022.

**Taxable Sales from Worker Spending.** To estimate taxable expenditures made by existing workers on the Project site, this analysis uses data from the International Council of Shopping Centers (ICSC) survey of office worker spending. The ICSC survey provides estimates of worker spending near work by store category, including both taxable and non-taxable purchases. The taxable expenditure estimates used in this analysis reflect adjustments to remove a portion of spending at drug and grocery stores, most of which is typically not subject to sales tax under California State law, as well as all non-taxable spending on services and entertainment, which is generally not taxable. The adjustments also account for the available retail offerings in Menlo Park, which affects the extent to which businesses in Menlo Park capture existing worker spending. After accounting for non-taxable purchases and the specific types of retail available in Menlo Park, the estimated annual taxable sales in Menlo Park totals approximately \$1,890 per existing worker.

**Net Change in General Fund Sales Tax Revenue from Resident and Worker Spending.** Table 4 shows the estimated net change in total taxable sales from resident and worker spending in

Menlo Park attributable to the Proposed Project. As shown, new residents in the Proposed Project would collectively spend approximately \$7.2 million per year on taxable purchases in Menlo Park at buildout. This increase in taxable spending would be partially offset by a decrease in annual taxable expenditures among workers on the project site due to the demolition of existing commercial space, estimated to total approximately \$280,000. Based on the resulting net increase in annual taxable sales in Menlo Park (approximately \$6.9 million) and the City's share of sales tax revenue, annual General Fund sales tax revenue would increase by approximately \$65,800 at buildout and full occupancy of the Proposed Project.

**Table 4: Projected Net Change in Annual General Fund Sales Tax Revenue at Buildout**

	<u>123 Independence Project</u>
<b>Resident Spending</b>	
Net Change in Residents	1,110
Per Capita Taxable Sales in Menlo Park (a)	\$6,491
<b>Net Change in Annual Taxable Resident Spending</b>	<b>\$7,204,704</b>
<b>Worker Spending</b>	
Net Change in Workers	(148)
Taxable Sales in Menlo Park per Worker (b)	\$1,890
<b>Net Change in Annual Taxable Worker Spending</b>	<b>(\$279,720)</b>
<b>Annual Sales Tax Revenue</b>	
Net Change in Annual Citywide Taxable Sales	\$6,924,984
Menlo Park Share of Sales Tax Receipts	0.95%
<b>Net Change in General Fund Sales Tax Revenue</b>	<b>\$65,787</b>

Notes:

(a) See Table 3.

(b) Based on data from International Council of Shopping Centers (ICSC), Office-Worker Retail Spending in a Digital Age, 2012. Spending estimates were adjusted to 2022 dollars. Worker spending estimates were adjusted to account for the available retail offerings in Menlo Park and to remove non-taxable spending on services and entertainment as well as a portion of spending at drug and grocery stores.

Sources: ICSC, 2012; CA Department of Finance; CA Department of Tax and Fee Administration; BAE, 2022.

### **Property Taxes**

The property taxes that accrue to a city are a function of the assessed value of real property and the City's share of the property tax collected for each parcel. Property in California is subject to a base 1.0 percent property tax rate, which is shared among local jurisdictions including the County, City, and special districts. The State requires that a portion of property tax revenues also be allocated to countywide Educational Revenue Augmentation Funds ("ERAF") to offset state expenditures on local K-12 education. In addition to the base 1.0 percent tax rate, additional property taxes and special assessments apply to most properties to pay for school district bonds or other special purposes, which vary by property location and are restricted for specific uses. This analysis evaluates impacts to the City's General Fund operating budget, which receives a share of the base 1.0 percent property tax but does not receive revenue from any additional taxes or special assessments.



The share of the base 1.0 percent property tax that is allocated to each taxing jurisdiction is based on the Tax Rate Area (TRA) where the property is located. Table 5 shows the effective distribution of the base 1.0 percent property tax to the taxing jurisdictions in the TRA where the Project site is located. After accounting for estimated ERAF reductions, Menlo Park receives approximately 9.6 percent of the base 1.0 percent tax, with the remainder going to various other taxing jurisdictions.

**Table 5: Distribution of Base 1% Property Tax Revenue, TRA 08-010**

<b>Jurisdiction</b>	<b>Pre-ERAF Distribution</b>	<b>ERAF Shift (a)</b>	<b>Effective Distribution</b>
City of Menlo Park	11.4%	16.4%	9.6%
County of San Mateo	22.6%	39.8%	13.6%
Redwood City Elementary School District	22.5%	0.0%	22.5%
Sequoia Union High School District	14.9%	0.0%	14.9%
San Mateo Community College District	6.5%	0.0%	6.5%
Menlo Park Fire District	15.0%	11.0%	13.3%
Midpeninsula Regional Open Space District	1.7%	0.0%	1.7%
Bay Area Air Quality Management	0.2%	0.0%	0.2%
County Harbor District	0.3%	22.2%	0.3%
San Mateo Co. Mosquito & Vector Control District	0.2%	15.9%	0.2%
Sequoia Hospital District	1.4%	0.0%	1.4%
County Office of Education	3.4%	0.0%	3.4%
ERAF	0.0%		12.6%
	<b>100.0%</b>		<b>100.0%</b>

Note:

(a) Represents the percentage reduction in property taxes to each jurisdiction to fund ERAF, based on FY 2021-22 figures provided by the San Mateo County Controller's Office.

Sources: San Mateo County Controller; BAE, 2022.

As shown in Table 6, the current assessed value of the Project site totals approximately \$52 million. To estimate future property tax revenues resulting from the project, this analysis estimates the net change in assessed value that the County assessor would assign to the property and then applies the applicable tax rate. In California, Proposition 13 provides that the assessed value of land and improvements cannot increase by more than two percent per year, except when a property is transferred to a new ownership entity, in which case the County re-assesses the property at the current market value; or for construction of new improvements, in which case the County re-assesses the property by the value of the construction. The County Assessor bases the assessed value of new improvements on: 1) the construction cost of new improvements, 2) the income value of the property and/or 3) the sale price of recently-sold, comparable properties. The Assessor may use one, two, or all three of these methods to assign an assessed improvement value to a project following construction.

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**Table 6: Current (2022) Assessed Value of Project Site**

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Parcel	Assessed Value, FY 2021-2022		
	Land	Improvements	Total
055-236-140	\$4,899,533	\$546,822	\$5,446,355
055-236-180	\$6,534,534	\$355,433	\$6,889,967
055-236-240	\$9,569,403	\$546,822	\$10,116,225
055-236-280	\$15,609,610	\$795,078	\$16,404,688
055-236-300	\$12,549,588	\$574,163	\$13,123,751
<b>Total Project Site</b>	<b>\$49,162,668</b>	<b>\$2,818,318</b>	<b>\$51,980,986</b>

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Sources: San Mateo County Treasurer-Tax Collector; BAE, 2022.

The project applicant owns all five existing parcels that comprise the Project site. As part of the Proposed Project, the applicant is proposing a lot line adjustment that would locate the apartment building on a single parcel and the townhomes on three other parcels.<sup>1</sup> To estimate the assessed value of the multifamily parcel, the analysis uses estimated construction costs for the multifamily building and garage provided by the applicant for the Proposed Project. The construction cost approach typically leads to a more conservative estimate of assessed value compared to the other two approaches that the County Assessor might use. The analysis assumes that the owner of the Project site would retain ownership of the multifamily parcel through construction and following completion of the multifamily building, and therefore the Proposed Project would not trigger a reassessment of the land value of the multifamily parcel to market value. As shown in Table 7, total hard and soft construction costs for the multifamily building are estimated at approximately \$186.1 million. To estimate the assessed value of the townhomes, it was assumed that the townhomes would all be individually sold at the average sale prices shown in Table 7. As shown, the estimated total value of the townhomes would be approximately \$144.6 million once all homes are sold.

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<sup>1</sup> One other parcel (Lot 1) would be improved as a publicly accessible paseo and dedicated to the City of Menlo Park.

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**Table 7: Assessed Value Assumptions**

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<b>Construction Costs (Hard &amp; Soft Costs) (a)</b>	<b>123 Independence Project</b>	
	<b>Quantity</b>	<b>Total Costs</b>
Multifamily Building \$554 per sf	289,223	\$160,229,542
Parking Garage \$77,000 per space	336	\$25,872,000
<b>Total Assessed Value of Multifamily Improvements</b>		<b>\$186,101,542</b>
<b>Townhome Sale Prices</b>		
Market Rate Units (b) \$1,395,900 per unit	98	\$136,798,200
BMR Units (c) \$431,700 per unit	18	\$7,770,600
<b>Total Assessed Value of Townhomes</b>		<b>\$144,568,800</b>

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Notes:

(a) Soft costs were estimated by BAE at 20 percent of hard costs.

(b) Weighted average sales price of market rate units based on the June 2022 Draft Housing Needs Assessment for the Proposed Project.

(c) Weighted average sales price of BMR units estimated by BAE based on 2022 income limits for applicable household sizes.

Source: BAE, 2022.

The total estimated net change in assessed value at buildout is shown in Table 8. Following construction of the multifamily building, the multifamily parcel would have an estimated total assessed value of approximately \$201.7 million, including both land and improvements. Once all the townhomes are constructed and individually sold, the townhome parcels would have an estimated total assessed value of approximately \$144.6 million. Combined, the Project site would have an estimated total assessed value of \$346.3 million at full buildout.

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**Table 8: Projected Total Assessed Value of Project Site at Buildout**

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<b>Assessed Value</b>	<b>123 Independence Project</b>
<b>Multifamily Parcel</b>	
Projected Assessed Value of Improvements (a)	\$186,101,542
Projected Assessed Value of Land (b)	<u>\$15,609,610</u>
Total Projected Assessed Value of Multifamily Parcel	\$201,711,152
<b>Townhome Parcels</b>	
Projected Assessed Value of Townhomes (c)	\$144,568,800
<b>Total Assessed Value of Project Site at Buildout</b>	<b>\$346,279,952</b>

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Notes:

(a) Equal to the multifamily construction costs shown in Table 7.

(b) Since the Project applicant currently owns the site and is expected to retain ownership of the multifamily parcel following construction of the improvements, the FIA does not assume any increase in land value from the Project. The boundaries of the proposed new multifamily parcel roughly align with the boundaries of an existing parcel (APN 055-236-280). The estimated assessed land value shown in this table is based on the existing assessed land value of this parcel, as shown in Table 6.

(c) It is assumed that the townhome units would be individually sold at the weighted average sales prices shown in Table 7. The projected total assessed value of the townhome parcels reflects the total value after all homes have been sold.

Sources: City of Menlo Park; BAE, 2022.

As shown in Table 9, the Proposed Project’s total assessed value at buildout (approximately \$346.3 million) represents a net increase of approximately \$294.3 million over the current assessed value of the Project site. Based on the City’s share of the base 1.0 percent property tax in the TRA where the project site is located (9.6 percent), the Proposed Project would increase annual General Fund property tax revenue by approximately \$281,400 at buildout.

**Table 9: Projected Change in Annual Property Tax Revenue at Buildout**

	<b>123 Independence Project</b>
<b>Assessed Value</b>	
Total Projected Assessed Value of Project Site at Buildout	\$346,279,952
Less: Current (FY 2021-22) Assessed Value of Project Site	(\$51,980,986)
<b>Net Change in Assessed Value at Buildout</b>	<b>\$294,298,966</b>
<b>Annual Property Tax Revenue</b>	
Base 1% Property Tax Revenue	\$2,942,990
Menlo Park Share of Base 1% Property Tax (a)	9.6%
<b>Net Change in City Property Tax Revenue</b>	<b>\$281,388</b>

Notes:

(a) This is the City's share of the base 1.0 percent property tax in the TRA where the Project site is located (TRA 08-010), after accounting for ERAF.

Sources: San Mateo County Controller; BAE, 2022.

***Property Tax In-Lieu of Vehicle License Fee Revenues***

Beginning in FY 2005-2006, the State ceased to provide “backfill” funds to counties and cities in the form of Motor Vehicle In-Lieu Fees (VLF) as it had through FY 2004-2005. As a result of financial restructuring enacted as part of the State’s budget balancing process, counties and cities now receive revenues from the State in the form of property tax in-lieu of vehicle license fees, or ILVLF. This State-funded revenue source is tied to a city’s total assessed valuation. In FY 2005-2006, former VLF revenues were swapped for ILVLF revenues, which set each local jurisdiction’s ILVLF “base.” The base increases each year thereafter in proportion to the increase in total assessed valuation within the jurisdiction. For example, if total assessed valuation increases by five percent from one year to the next, the ILVLF base and resulting revenues would increase by five percent.

As shown in Table 10, in fiscal year 2022-23 annual property tax ILVLF revenue totaled approximately \$4.7 million. This amounts to approximately \$0.18 per \$1,000 in assessed value. Based on the estimated total net change in assessed value shown below, the Proposed Project would increase annual General Fund ILVLF revenues by approximately \$52,500.

**Table 10: Projected Change in Annual Property Tax In-Lieu of Vehicle License Fee Revenue at Buildout**

	<b>123 Independence Project</b>
Net Change in Assessed Value at Buildout	\$294,298,966
<b>Net change in ILVLF Revenue</b>	<b>\$52,520</b>
<b>Assumptions</b>	
Total Taxable Assessed Value, FY 2022-23	\$26,211,741,251
FY 2022-23 ILVLF Revenue	\$4,677,710
ILVLF Revenue per \$1,000 in Assessed Value	\$0.18

Sources: City of Menlo Park; San Mateo County Controller's Office; BAE, 2022.

***Business License Tax***

Business license fees are charged to businesses operating in the City at varying rates based on business types. The City charges administrative offices based on the number of employees at the business, with fees ranging from \$50 per year for businesses with five employees or less to \$1,250 per year for businesses with over 200 employees. Most businesses, including retail outlets and rental apartments, are charged based on annual gross receipts, ranging from \$50 per year for businesses with annual gross receipts of \$25,000 or less to a cap of \$8,000 per site per year.<sup>2</sup>

To estimate annual business license tax revenues associated with the proposed rental apartments, BAE estimated total annual gross receipts based on 2022 maximum rents for BMR units and the market rate rents provided in the Draft Housing Needs Assessment for the Proposed Project. Annual business license taxes for the existing businesses on the Project site were estimated based on the number of employees in each business. As shown in Table 11, the Proposed Project is projected to result in a slight net increase in annual business license tax revenue.

<sup>2</sup> Menlo Park Municipal Code section 5.12.020.

**Table 11: Projected Change in Annual Business License Tax Revenue at Buildout**

	<b>123 Independence Project</b>
New Business License Tax Revenue	\$3,500
Estimated Existing Business License Tax Revenue	(\$1,750)
<b>Net Change in Annual Business License Tax Revenue</b>	<b>\$1,750</b>

**Assumptions**

<b>New Business License Tax Revenue - Rental Apartments</b>	
Number of New Rental Units	316
Weighted Average Monthly Rent per Unit (a)	\$3,225
Number of Residential (Assigned) Parking Spaces	330
Monthly Parking Rent per Space	\$125
Vacancy Adjustment	5%
Estimated Total Annual Gross Receipts from Rental Apartments	\$12,087,990
Total Annual Business License Tax Revenue from Apartments	\$3,500

<b>Existing Business License Tax Revenue</b>	
Number of Existing Businesses	5
Median Number of Employees per Business	24
Estimated Annual Business License Tax Revenue per Business	\$350

Notes:

(a) Based on 2022 maximum rents for BMR units and market rate rents in the Draft Housing Needs Assessment for the Proposed Project.

Sources: City of Menlo Park; BAE, 2022.

**Utility Users Tax**

The City currently collects a Utility User Tax (UUT) at a rate of one percent, assessed on gas, electric, water, wireless, cable, and telephone bills. For business entities with more than \$1.2 million in annual combined electric, gas and water bills, the City Council has established a maximum combined electric, gas, and water UUT payment of \$12,000 (i.e., one percent of \$1.2 million) per year. As shown in Table 12, based on the FY 2022-23 Adopted Budget, the City receives approximately \$1.6 million in total annual UUT revenue, averaging \$36.20 per member of the existing service population. Once complete and fully occupied, the Project would generate a net increase in the City's service population based on the calculations shown above in Table 1. Assuming a commensurate increase in the amount of UUT revenue collected each year, the net change in service population associated with the Project would generate additional annual UUT revenue of approximately \$38,400.

**Table 12: Projected Change in Annual Utility User Tax Revenue at Buildout**

	<b>123 Independence Project</b>
Net Change in Service Population (a)	1,061
UUT Revenue per Service Population	\$36.20
<b>Projected Net Change in UUT Revenue</b>	<b>\$38,396</b>
<hr/>	
<b>Assumptions</b>	<b>FY 2022-23</b>
Total UUT Revenue, FY 2022-23 Adopted Budget	\$1,623,858
Current (2022) Citywide Service Population (b)	44,858
UUT Revenue per Service Population	\$36.20

Notes:

(a) See Table 1.

(b) Service population is defined as all residents plus one-third of employment.

Sources: City of Menlo Park, BAE, 2022.

It is important to note that the Proposed Project would be required to use electricity as the only source of energy for all appliances used for water heating, cooking, and other activities, consistent with the City's reach code ordinance approved in September 2019. Since it is unclear how reach code requirements will ultimately impact how much UUT revenue is generated from new developments, this analysis assumes that increases in electricity expenditures due to these requirements would be comparable to the resulting decrease in gas expenditures. Actual UUT revenue generated by the Proposed Project would depend on a number of factors, including the extent to which the reach code ordinance requirements impact energy usage patterns.

### **Other Revenues**

According to the FY 2022-23 Adopted Budget, the City generates approximately \$2.6 million in General Fund revenues from franchise fees and fines. Both of these revenue sources tend to increase as the City's service population grows. Franchise fees are generally set as a percentage of gross receipts and increase as expenditures on utilities, such as gas and electricity, increase. Fine revenues are primarily collected by the Police Department for parking and traffic citations and would also generally increase commensurate with growth in the service population. As shown in Table 13, General Fund revenues from franchise fees and fines in FY 2022-23 totaled approximately \$58.31 per member of the service population. Assuming a commensurate increase in the amount of revenue collected each year, the net new service population associated with the Project would generate additional annual franchise fee and fines revenues of approximately \$61,800.

**Table 13: Projected Change in Annual Franchise Fee and Fines Revenues at Buildout**

	<b>123 Independence Project</b>
Net Change in Service Population (a)	1,061
Franchise Fee and Fines Revenue per Service Population	\$58.31
<b>Net Change in Franchise Fee and Fines Revenue</b>	<b>\$61,844</b>
<b>Assumptions</b>	
	<b>FY 2022-23 (b)</b>
Franchise Fee Revenue	\$2,430,500
Fines Revenue	\$185,000
<b>Total Franchise Fee and Fines Revenue</b>	<b>\$2,615,500</b>
Current (2022) Citywide Service Population (c)	44,858
<b>Revenue Per Service Population</b>	<b>\$58.31</b>

Notes:

(a) See Table 1.

(b) Revenues based on the FY 2022-23 Adopted Budget.

(c) Service population is defined as all residents plus one-third of employment.

Sources: City of Menlo Park; BAE, 2022.

### **Summary of Annually Recurring General Fund Revenues**

As shown in Table 14, the Proposed Project would increase annual General Fund revenues by approximately \$501,700 at buildout. Most of these annual General Fund revenues would be generated through property tax and property tax in lieu of vehicle license fees.

**Table 14: Summary of Net Change in Annual General Fund Revenues at Buildout**

<b>General Fund Revenues</b>	<b>Annual Revenue</b>	<b>Percent of Total</b>
Property Tax	\$281,388	56.1%
ILVLF	\$52,520	10.5%
Sales Tax	\$65,787	13.1%
Business License Tax	\$1,750	0.3%
Utility Users Tax	\$38,396	7.7%
Other Revenues	\$61,844	12.3%
<b>Total Revenues</b>	<b>\$501,686</b>	<b>100.0%</b>

Source: BAE, 2022.

### **One-Time/Non-Recurring Revenue Impacts**

The City and some special districts collect impact fees and capital facilities charges for public services such as water, sewer, transportation, below market rate housing, and schools. These impact fees are established pursuant to State law, and represent a one-time revenue source from a project, intended to offset impacts to infrastructure systems that are generated by new development. Based on FY 2022-23 impact fee rates, the Proposed Project would generate approximately \$11.3 million in impact fees to the City of Menlo Park after accounting for



offsetting fee credits (see Table 15). Impact fees to Sequoia Union High School District would total approximately \$830,800, while fees to Redwood City Elementary School District would total approximately \$1.0 million.

**Table 15: Impact Fees from the Proposed Project**

FY 2022-23 Impact Fees	Rate per Unit	Quantity Removed	123 Independence Project		Total Fees
			Gross New Quantity	Net New Quantity	
<b>Transportation</b>					
Office	\$21.88 per net sf	0	0	0	\$0
R&D	\$9.32 per net sf	64,681	0	(64,681)	(\$602,827)
Warehousing	\$3.62 per net sf	0	0	0	\$0
Manufacturing	\$12.76 per net sf	39,302	0	(39,302)	(\$501,494)
Multifamily Residential	\$6,352 per unit	0	432	432	\$2,743,991
<b>Total</b>					<b>\$1,639,670</b>
<b>Storm Drainage Connection Fees</b>					
Single Family	\$450 per lot	0	0	0	\$0
Multiple Family	\$150 per unit	0	432	432	\$64,800
<b>Total</b>					<b>\$64,800</b>
<b>Recreation In-Lieu Fees (a)</b>					
Multifamily Residential	\$78,400 per unit	0	116	116	\$9,094,400
<b>Total (b)</b>					<b>\$9,094,400</b>
Construction Street Impact Fee (c)	0.58% of construction value		\$95,006,265		\$551,036
<b>Total City of Menlo Park Impact Fees</b>					<b>\$11,349,906</b>
<b>Sequoia Union High School Dist.</b>					
Commercial	\$0.294 per net sf	103,983	0	(103,983)	(\$30,571)
Residential	\$1.806 per net sf	0	476,962	476,962	\$861,393
<b>Total</b>					<b>\$830,822</b>
<b>Redwood City Elementary School Dist.</b>					
Commercial	\$0.366 per net sf	103,983	0	(103,983)	(\$38,058)
Residential	\$2.274 per net sf	0	476,962	476,962	\$1,084,612
<b>Total</b>					<b>\$1,046,554</b>

Notes:

- (a) The recreation in-lieu fee is only charged on residential developments that include a subdivision map. The fee would not apply to the multifamily rental units included in the Proposed Project.
- (b) The project applicant may be eligible to receive additional fee credits for providing dedicated land and improvements.
- (c) The City of Menlo Park uses ICC building valuation data to calculate the Construction Street Impact Fee. The ICC building valuation differs from the projected assessed value of the improvements in Table 7 above.

Sources: City of Menlo Park; Sequoia Union School District; BAE, 2022.

## Projected Annual Service Cost Impacts

The City's General Fund expenditures generally increase as the service population increases, with some exceptions for General Fund expenditures that tend to be relatively fixed and would not

change based on changes in the service population. BAE analyzed the City’s budgeted General Fund expenditures from the FY 2022-23 Adopted Budget to estimate the costs that would likely increase as the service population increases as a result of the Proposed Project. This analysis focused on expenditures for the Human Resources, Library and Community Services, Public Works, and Police Departments, as these departments are most likely to experience increases in demand for services that are funded by the General Fund. For each department, BAE made adjustments to exclude the portion of departmental costs that would not change based on changes in the service population. These “fixed costs” include personnel costs for certain executive positions (i.e., department heads, Chief of Police, etc.) as well as costs to maintain fixed assets, capital outlays, utilities, rental of land and buildings, and most special projects expenditures. The analysis also accounts for charges for service and other department revenues that offset variable costs in each department. As shown in Table 16, the City’s net variable costs for the impacted departments total approximately \$45.3 million.

**Table 16: Current City of Menlo Park Annual General Fund Operating Expenditures, FY 2022-23 Adopted Budget**

<u>Department/Division</u>	<u>Annual General Fund Expenditures</u>	<u>Less: Executive Salary and Benefits (a)</u>	<u>Less: Fixed Assets and Capital Outlay, Utilities, Transfers, and Special Projects (b)</u>	<u>Less: Charges for Service and Other Offsetting Revenues (c)</u>	<u>Net Variable General Fund Expenditures</u>
Human Resources	\$1,267,463	(\$268,125)	(\$7,500)	\$0	\$991,838
Library and Community Svcs	\$11,803,980	(\$292,256)	(\$601,460)	(\$2,767,000)	\$8,143,264
Police	\$22,951,641	(\$304,405)	(\$901,073)	(\$264,000)	\$21,482,163
Public Works	\$17,403,309	(\$302,700)	(\$1,239,500)	(\$1,135,500)	\$14,725,609
<b>Total Expenditures (Impacted Departments)</b>	<b>\$53,426,393</b>	<b>(\$1,167,486)</b>	<b>(\$2,749,533)</b>	<b>(\$4,166,500)</b>	<b>\$45,342,874</b>

Notes:

(a) Salary and benefits costs for department/division heads are considered fixed costs that are not expected to increase with new development in the City. Data reflect salaries and benefits for the following positions: Human Resources Manager, Library and Community Services Director, Police Chief, and Public Works Director. Salary and benefit costs are based on 2021 data provided by the State Controller's Office. Data for the Police Chief position were not available for 2021, so the table shows 2020 data for this position.

(b) Reflects General Fund expenditures for Fixed Assets and Capital Outlay, Utilities, Transfers, Rental of Land and Buildings, and Special Projects expenditures. These costs are not anticipated to increase with new development.

(c) Some expenditures are directly recovered through charges for services, license fees, and permit fees. Revenues from these sources directly offset variable expenditures in each department.

Sources: City of Menlo Park; California State Controller; BAE, 2022.

As shown in Table 17, the City’s net variable costs for the impacted departments equate to \$1,011 per member of the service population. This means that the City would need to add \$1,011 to its annual budget for each new member of the service population (i.e., \$1,011 per resident and \$337 per worker) to maintain current levels of service provided by these departments. Table 17 applies the net variable costs per member of the service population to the net increase in service population associated with the Proposed Project to estimate General Fund expenditure impacts. As shown, the Proposed Project would increase the City’s total annual General Fund

expenditures by approximately \$1.1 million. The projected expenditures solely account for projected increases in ongoing operating costs (e.g., salaries) and do not account for any one-time capital improvements that might be necessary to serve the Proposed Project.

**Table 17: City of Menlo Park General Fund Expenditure Impacts at Buildout**

<b>Department</b>	<b>General Fund Expenditures Per Service Population (a)</b>	<b>General Fund Impacts</b>	
		<b>Total (b)</b>	<b>% of Total</b>
Human Resources	\$22.11	\$23,452	2.2%
Library and Community Services	\$181.54	\$192,549	18.0%
Police	\$478.90	\$507,949	47.4%
Public Works	\$328.27	\$348,189	32.5%
<b>Total Dept. Expenditures</b>	<b>\$1,010.82</b>	<b>\$1,072,139</b>	<b>100.0%</b>

**Assumptions**

Net Change in Service Population from Project (c)	1,061
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Notes:

(a) Based on the citywide service population shown in Table 2

(b) Equal to net variable General Fund operating expenditures per service population multiplied by the net new service population associated with the Proposed Project shown in Table 1.

Sources: City of Menlo Park; BAE, 2022.

**Summary of Net Fiscal Impact to the City of Menlo Park General Fund**

Table 18 summarizes the annual recurring net General Fund fiscal impact from the Proposed Project at buildout and full occupancy in 2022 dollars. The Proposed Project would increase the City’s annual General Fund revenues by approximately \$501,700 and increase the City’s annual General Fund expenditures by approximately \$1.1 million, resulting in a net negative fiscal impact totaling approximately \$570,500 per year once the project is complete and fully occupied. This is equal to approximately 0.7 percent of the City’s total 2022/23 Fiscal Year Adopted General Fund budget (\$80.4 million). The fiscal impacts shown in the table below reflect the impacts of the Proposed Project itself, irrespective of other changes in the City’s population, workforce, property tax base, and other factors that could impact the City’s budget. The project will not occur in isolation, and therefore other projects that have a net positive fiscal impact on the City, as well as other factors that affect the City budget, could potentially counterbalance the impacts of the Proposed Project.

**Table 18: Annual Net Fiscal Impact to the City of Menlo Park General Fund at Full Buildout and Occupancy**

	<b>123 Independence Project</b>
<b>Total Net Change in Revenues</b>	<b>\$501,686</b>
Property Tax	\$281,388
ILVLF	\$52,520
Sales Tax	\$65,787
Business License Tax	\$1,750
Utility Users Tax	\$38,396
Other Revenues	\$61,844
<b>Total Net Change in Expenditures</b>	<b>(\$1,072,139)</b>
Human Resources	(\$23,452)
Library and Community Services	(\$192,549)
Police	(\$507,949)
Public Works	(\$348,189)
<b>Net Fiscal Impact</b>	<b>(\$570,453)</b>

Note: Revenues and expenditures are expressed in 2022 dollars at the future point in time when the proposed project would be fully built out and occupied.

Source: BAE, 2022.

### ***Total 10-Year Impact***

The estimates in Table 18 do not account for the long-term impact of inflation on revenues, expenditures, and the resulting net fiscal impact to the City. Table 19 provides a longer term view of the potential net fiscal impact to the City’s General Fund. The table shows the annual revenues and expenditures that would be attributable to the Proposed Project on a year-by-year basis, adjusted for projected increases in revenues and costs in each year from 2022 to 2031. The fiscal impacts shown in the table below reflect the impacts that are attributable to the Proposed Project itself, irrespective of other changes in the City’s population, workforce, property tax base, and other factors that could impact the City’s budget. Consistent with standard City Finance Department budgeting practices, the analysis escalates most revenues and expenditures based on an inflation rate of three percent per year.<sup>3</sup> The one exception is property tax revenues, which is inflated at a rate of two percent per year, the maximum allowed by the Proposition 13 limit on annual increases in tax assessments unless a property is transferred or sold.

As shown in Table 19, the annual fiscal impact associated with the Proposed Project would remain slightly positive during the construction period. Between 2022 and 2027, Table 19 shows a net decrease in revenues from the project site along with a net decrease in City expenditures

<sup>3</sup> As of the writing of this report, the current inflation rate is higher than three percent. However, a three-percent inflation rate is used for this analysis to reflect typical long-term annual inflation, which has typically averaged approximately three percent.

due to demolition of existing improvements and an associated decrease in employment at the project site. Although the City would not actually decrease its operating expenditures in response to a demolition of improvements on the project site, the cost of providing City services based on activity at the project site would be projected to decrease during this period. The Proposed Project would have a negative fiscal impact on the City's General Fund beginning in 2028 following the completion of the first phase of the Proposed Project. Following full buildout of the Proposed Project in year 2029, the annual deficit would total approximately \$728,600.

While this type of projection can be useful because it accounts for the effect of inflation on revenues and expenses over time, it should be understood that these long-term estimates are subject to uncertainty and are sensitive to changes in inflation and other factors. Perhaps most importantly, the property tax and property tax ILVLF revenues shown assume that the same entity would retain ownership of the multifamily portion of the Proposed Project through the end of the ten-year period shown below. In addition, these figures are based on an assumption that none of the initial buyers of the townhouse units sell these units within the ten-year timeframe. As a result, these revenues would increase by two percent per year following construction in accordance with Proposition 13. If ownership of any portion of the Proposed Project is transferred to a different entity during this period, that transfer would trigger a reassessment of the project based on market value, which would likely increase the property tax and property tax ILVLF to a greater extent than shown in the table below.

**Table 19: Projected Net Fiscal Impact to the City of Menlo Park General Fund, 2022-2031, Proposed Project**

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Net Change in Residential Units</b>	0	0	0	0	0	0	316	432	432	432
<b>Net Change in Service Population</b>	0	(49)	(49)	(49)	(49)	(49)	763	1,061	1,061	1,061
<b>Total Net Change in Revenues</b>	<b>\$0</b>	<b>(\$12,500)</b>	<b>(\$13,000)</b>	<b>(\$13,300)</b>	<b>(\$13,600)</b>	<b>(\$14,100)</b>	<b>\$379,000</b>	<b>\$589,900</b>	<b>\$603,600</b>	<b>\$618,000</b>
Property Tax	\$0	(\$2,700)	(\$2,800)	(\$2,900)	(\$2,900)	(\$3,000)	\$197,400	\$323,200	\$329,700	\$336,300
ILVLF	\$0	(\$500)	(\$500)	(\$500)	(\$500)	(\$600)	\$36,800	\$60,300	\$61,500	\$62,800
Sales Tax	\$0	(\$2,700)	(\$2,800)	(\$2,900)	(\$3,000)	(\$3,100)	\$56,600	\$80,900	\$83,300	\$85,800
Business License Tax	\$0	(\$1,800)	(\$1,900)	(\$1,900)	(\$2,000)	(\$2,000)	\$2,100	\$2,200	\$2,200	\$2,300
Utility Users Tax	\$0	(\$1,800)	(\$1,900)	(\$2,000)	(\$2,000)	(\$2,100)	\$33,000	\$47,200	\$48,600	\$50,100
Other Revenues	\$0	(\$3,000)	(\$3,100)	(\$3,100)	(\$3,200)	(\$3,300)	\$53,100	\$76,100	\$78,300	\$80,700
<b>Total Net Change in Expenditures</b>	<b>\$0</b>	<b>\$51,300</b>	<b>\$53,000</b>	<b>\$54,500</b>	<b>\$56,100</b>	<b>\$57,900</b>	<b>(\$920,400)</b>	<b>(\$1,318,500)</b>	<b>(\$1,358,200)</b>	<b>(\$1,398,900)</b>
Human Resources	\$0	\$1,100	\$1,200	\$1,200	\$1,200	\$1,300	(\$20,100)	(\$28,800)	(\$29,700)	(\$30,600)
Library and Community Services	\$0	\$9,200	\$9,500	\$9,800	\$10,100	\$10,400	(\$165,300)	(\$236,800)	(\$243,900)	(\$251,200)
Police	\$0	\$24,300	\$25,100	\$25,800	\$26,600	\$27,400	(\$436,100)	(\$624,700)	(\$643,500)	(\$662,800)
Public Works	\$0	\$16,700	\$17,200	\$17,700	\$18,200	\$18,800	(\$298,900)	(\$428,200)	(\$441,100)	(\$454,300)
<b>Net Fiscal Impact</b>	<b>\$0</b>	<b>\$38,800</b>	<b>\$40,000</b>	<b>\$41,200</b>	<b>\$42,500</b>	<b>\$43,800</b>	<b>(\$541,400)</b>	<b>(\$728,600)</b>	<b>(\$754,600)</b>	<b>(\$780,900)</b>

Note: Figures have been inflated based on the following rates:  
 Property Tax Inflation Rate: 2%  
 Other Revenue Inflation Rate: 3%  
 Expenditure Inflation Rate: 3%

All values shown in nominal dollars (i.e., not adjusted to 2022 dollars).

Source: BAE, 2022.

# SPECIAL DISTRICT FISCAL IMPACT ANALYSIS

This section of the report provides analysis and findings related to the fiscal impact that the Proposed Project would have on the Menlo Park Fire Protection District and the school districts that serve the project site. Appendix A provides findings from the fiscal impact analysis of the Midpeninsula Regional Open Space District, San Mateo County Community College District, the San Mateo County Office of Education, and the Sequoia Healthcare District.

## Menlo Park Fire Protection District

The Menlo Park Fire Protection District (MPFPD) provides fire protection services to Menlo Park, Atherton, East Palo Alto, portions of unincorporated San Mateo County, and federal facilities such as the veteran’s hospital, United States Geological Survey facility, and the Stanford Linear Accelerator, covering approximately 30 square miles. The MPFPD also has agreements with neighboring departments, including the cities of Palo Alto, Redwood City, Fremont, and the Woodside Fire District, to provide automatic aid. According to population and employment figures from Esri Business Analyst, the MPFPD serves approximately 90,328 residents and 46,668 employees, for a service population of 105,884.<sup>4</sup>

The District operates three fire stations in Menlo Park, two fire stations in unincorporated San Mateo County, one station in Atherton, and one station in East Palo Alto. Each of the seven fire stations is equipped with a heavy fire engine and is continuously staffed by three crew members, and two of the seven are equipped with aerial apparatus. Two stations—Station 2 in East Palo Alto and Station 6 in downtown Menlo Park—were recently reconstructed. Station 77 is located at 1467 Chilco Street in the Bayfront Area of Menlo Park and is slated to add more sleeping rooms. The District plans to rebuild Stations 4 and 1 within the next decade, though District leadership reports that plans are currently on hold due to the impact of the COVID-19 pandemic. Station 1 is located on Middlefield Road in Menlo Park, while Station 4 is located outside City limits in the unincorporated community of West Menlo Park.

MPFPD currently employs 12 chief officers, 30 captains, and 66 engineers/firefighters, for a total of 108 fire safety personnel. The MPFPD also employs an administrative support staff of 22. To support its fire safety personnel, the MPFPD also employs a fire-prevention staff of 10. In addition, the MPFPD is part of the greater San Mateo County boundary-drop plan, which means the closest unit responds to each call, regardless of the department.

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<sup>4</sup> Service population is defined as all residents plus one third of all employees.

### ***Revenue Impacts from the Project***

Property taxes are the primary source of revenue for the MPFPD. Other sources of General Fund revenues for the MPFPD include licenses and permits, monies from intergovernmental transfers, current service charges, and use of money and property. For this FIA, revenues from licenses, permits, and service charges are assumed to be the only revenue source other than property tax that would be affected by new development.

The MPFPD receives approximately 13.3 percent of the 1.0 percent base property tax collected in the TRA where the Proposed Project is located. Based on the projected net increase in assessed value from the Proposed Project shown in Table 20, the MPFPD would receive additional annual property tax revenue of approximately \$392,700 following buildout of the Proposed Project. Other revenues from licenses, permits, and service charges were projected at approximately \$1.6 million in the MPFPD's FY 2022-23 Adopted Budget, averaging \$14.72 per member of the service population. Based on the estimated net increase in service population associated with the Proposed Project, additional MPFPD revenues from licenses, permits, and service charges from the Proposed Project would total approximately \$15,600 per year.

### ***Expenditure Impacts from the Project***

This study estimates the costs that the Proposed Project would generate for the MPFPD on a per service population basis. Unlike the analysis of City expenditures presented above, the analysis of the MPFPD includes most MPFPD General Fund expenditures in the variable cost estimate, including executive compensation, which may overestimate the potential cost impacts for the MPFPD. This approach provides a relatively conservative assessment to avoid underestimating potential impacts on the District. The MPFPD budget for the 2022-23 fiscal year includes \$65.6 million in expenditures (net of expenditures on fixed assets and transfers) from its General Fund, at an average rate of \$620 per member of the service population. Assuming that costs increase in accordance with service population, the Proposed Project would generate additional annual District expenditures of approximately \$657,400.

### ***Net Fiscal Impact from the Project***

Based on the revenue and expenditure estimates shown in Table 20, the Proposed Project would have a negative net fiscal impact on the MPFPD. The deficit associated with the Project is estimated to total \$249,080 annually, which amounts to approximately 0.4 percent of MPFPD's FY 2022-23 General Fund operating budget (excluding transfers and expenses on fixed assets). As with the analysis of the fiscal impacts to the City, the fiscal impacts shown in the table below do not reflect the impacts of other changes in the District that could potentially counterbalance the fiscal impacts of the Proposed Project.

The Menlo Park Fire Protection District has adopted an Emergency Services and Fire Protection Impact Fee to fund the District's fire protection capital facilities. Although the City has not formally adopted this fee, for illustrative purposes this analysis includes a calculation of the impact fee revenue that the Proposed Project would generate for the MPFPD if the City of Menlo



Park had adopted the impact fee proposed by the MPFPD before the application for the Proposed Project had been deemed complete. Assuming the City had adopted this fee before the application for the project was deemed complete, the Proposed Project would generate approximately \$242,000 in one-time impact fee revenue to the District (approximately \$283,000 from the new residential units less a credit totaling \$41,000 based on the net decrease in non-residential space shown in Table 15). However, it should be noted that this fee will not actually apply to the Proposed Project.

**Table 20: Projected Net Fiscal Impact to Menlo Park Fire Protection District**

	<b>123 Independence Project</b>
Project Net Change in Service Population	1,061
Project Net Change in Assessed Value	\$294,298,966
Net Change in Property Tax Revenues	\$392,703
Net Change in License, Permit, and Service Charge Revenues	\$15,618
Less: Net Change in Projected Expenditures	(\$657,401)
<b>Projected Net Fiscal Impact to MPFPD</b>	<b>(\$249,080)</b>
<b>Assumptions</b>	
MPFPD Service Population, 2022	105,884
<b>Revenues</b>	
MPFPD Share of Base 1% Property Tax Revenue (a)	13.3%
License and Permit Revenues, FY 22-23 Preliminary Budget	\$1,100,000
Current Service Charge Revenues, FY 22-23 Preliminary Budget	\$459,100
Licenses, Permits, and Service Charges per Service Population	\$14.72
<b>Expenditures</b>	
General Fund Operating Expenditures, FY 2022-23 Adopted Budget (b)	\$65,626,900
Expenditures per Service Population	\$619.80

Note:

(a) This is the MPFPD's share of the base 1.0 percent property tax in the TRA where the project site is located, after accounting for the reduction in property tax revenues to fund ERAF. This figure does not account for excess ERAF revenues that the County refunds to the District when its ERAF balance exceeds K-14 educational funding needs. Many taxing entities do not consider excess ERAF to be a reliable revenue source due to its volatility, difficulty to predict, and likelihood of being eliminated by State action in coming years. Not including excess ERAF when determining property tax share results in a slightly lower, more conservative property tax revenue estimate.

(b) Does not include transfers or expenses on fixed assets not expected to increase with service population.

Sources: Menlo Park Fire Protection District; San Mateo County Controller; Esri Business Analyst; BAE, 2022.

## **School Districts Serving the Project Site**

This section evaluates the fiscal impacts that the Proposed Project would have on the two school districts that serve the project site. Elementary and middle school students that live in the project would be assigned to the Redwood City School District, while high school students would be assigned to the Sequoia Union High School District. In general, potential impacts from the growth in households associated with the Proposed Project could include the additional costs of instruction for new students, which are typically wholly or partially offset by property tax revenues or State funding. In addition, growth in households could lead to a need for additional facilities to accommodate more students. This analysis focuses on the ongoing operating costs associated with providing instruction for new students, though some information regarding potential new facilities needs is also summarized below.

In addition to the Proposed Project, there are a range of other demographic and socioeconomic factors that can affect near- and long-term school district enrollment. Thus, the findings in this section are meant to provide general order-of-magnitude estimates of the potential ongoing fiscal impacts to the two school districts from the Proposed Project. The estimates are not intended to be a projection of the future fiscal or facility impacts that will be experienced by the school districts that serve Menlo Park residents.

### ***California School District Operating Revenues***

Under California's funding system for public school districts, the impact that new development has on instructional operating costs depends in part on whether or not a district is a "Basic Aid" district. In California, most public school districts are not Basic Aid districts, meaning that local property taxes are not sufficient to meet the minimum funding requirement for the district based on the statewide Local Control Funding Formula (LCFF). Therefore, in non-Basic Aid districts, local property taxes are supplemented with State funds to meet required funding levels. Within non-Basic Aid districts, as local property tax revenues increase (including from new development), State funding is reduced by a commensurate amount such that these districts do not actually realize increased revenues. Conversely, any increase in the gap between the minimum funding requirement and property tax revenues, due to either increased enrollment or reduced property tax revenue, is met with a commensurate increase in State aid.

By comparison, if local property taxes are sufficient to exceed the funding requirement established by the State LCFF, a district becomes a "Basic Aid" district and receives only minimal State funding. Within Basic Aid districts, as assessed property values increase, the district generally retains any additional property tax revenues. While this can support higher levels of student spending in districts with a strong property tax base, it also means that property taxes from new development are the primary source of funds for additional annual operating costs to educate any new students. Therefore, a district's Basic Aid or non-Basic Aid status determines whether it can retain new operating revenues as a result of new development that increases the local property tax rolls.

### ***Redwood City School District***

The Redwood City School District transitioned from a non-Basic Aid to a Basic school district beginning in the 2019-20 fiscal year. The Redwood City School District's student generation rates for elementary schools are 0.36 students per unit for single family detached units, 0.18 students per unit for single-family attached units, and 0.10 students per unit for multi-family units. The District's student generation rates for middle schools are 0.10 students per unit for single-family detached units, 0.06 students per unit for single-family attached units, and 0.04 students per unit for multi-family units. Applying these student generation rates to the units in the Proposed Project results in an estimate that the Project will generate 72 new students in the District. The estimated ADA associated with this new enrollment is 68.3 based on the District's budgeted attendance rate of 95 percent as of the 2022-23 school year.

**Revenue Impacts from the Project.** The Proposed Project would generate property tax revenue and a small amount of State funding for the District. In the TRA where the project site is located, the District's share of the base one-percent property tax is 22.5 percent. Based on this percentage and the estimated net increase in assessed values shown in Table 21, the Proposed Project would increase annual property tax revenues to the District by approximately \$661,900. In addition to funding from property tax revenues, the Redwood City School District would receive a small amount of State funding per student on an annual basis (approximately \$27,200).

**Expenditure Impacts from the Project.** Based on the District's approved budget for FY 2022-23, unrestricted expenditures average \$16,435 per enrolled student. The projected net change in enrolled students due to the Proposed Project (72 students) would generate new annual unrestricted expenditures totaling \$865,700.

**Net Fiscal Impact from the Project.** As shown in Table 21, the Proposed Project would have a net negative annual fiscal impact on the District. Projected annual expenditures would exceed offsetting revenues by approximately \$176,700. This annual deficit is equivalent to approximately 0.2 percent of the District's 2022-23 unrestricted General Fund budget.

In addition to these ongoing fiscal impacts, the Proposed Project would generate one-time impact fees to the District totaling approximately \$1.0 million (see Table 15).

**Table 21: Projected Fiscal Impacts to the Redwood City School District**

	<b>123 Independence Project</b>
Project Net Change in Residential Units	432
Single-Family Attached	116
Multifamily	316
Project Net Change in Enrolled Students	72
Project Net Change in ADA	68.3
Project Net Change in Assessed Value	\$294,298,966
Net Change in Annual Property Tax Revenues	\$661,854
Net Change in Annual State Revenues from ADA	\$27,182
Less: Net Change in Projected Annual Expenditures from Enrollment	(\$865,696)
<b>Projected Net Fiscal Impact to Redwood City ESD (Annual)</b>	<b>(\$176,659)</b>
<b>One-Time Impact Fee Revenue</b>	
<b>Assumptions</b>	
Redwood City ESD Student Generation per Unit (a)	
Single-Family Attached	0.24
Multifamily	0.14
Estimated Average Daily Attendance (ADA) per Enrolled Student (b)	0.95
Redwood City ESD Share of Base 1% Property Tax Revenue (c)	22.5%
Unrestricted Revenues per ADA, FY 2022-23	\$397.94
Unrestricted State Local Control Funding Formula (LCFF) Funds per ADA (d)	\$0.00
Unrestricted State Educational Protection Account Funds per ADA	\$200.00
Unrestricted State Lottery Funds per ADA	\$163.00
Unrestricted State Mandated Costs Block Grant per ADA	\$34.94
Unrestricted General Fund Expenditures, FY 2022-23 Adopted Budget	\$74,594,126
Estimated Enrolled Regular Students, FY 2022-23 Adopted Budget	6,204
Estimated Regular P-2 ADA, FY 2022-23 Adopted Budget	5,885.82
Unrestricted Expenditures per Enrolled Student	\$12,024

Notes:

(a) Based on a 2015 report prepared by Decision Insite. According to the report, the single family attached category includes townhomes, condominiums, and duplexes.

(b) This figure was calculated by dividing the District's FY 2022-23 estimated regular P-2 ADA by its projected enrollment.

(c) This is Redwood City SD's share of the base 1.0 percent property tax in TRA 08-010.

(d) Redwood City SD is a "basic aid" district. Basic aid districts, also known as "community-funded" districts, collect enough property tax revenues to meet their state-determined LCFF minimum funding targets without state support. Though basic aid districts are entitled to other state funds tied to ADA (listed separately) and a minimum level of guaranteed state support (not tied to growth), they will not receive LCFF state aid to offset the costs generated by additional ADA. For that reason, BAE assumes zero state LCFF funds per ADA.

Sources: Decision Insite, 2015; Redwood City School District; San Mateo County Controller; BAE, 2022.

### ***Sequoia Union High School District***

The Sequoia Union High School District is a Basic Aid district and therefore gets the bulk of its revenue from property taxes, with a minimal amount of funding from other state and local sources. The Sequoia Union High School District has not established its own student generation rate, and instead uses the statewide figure of 0.2 students per dwelling unit for high school districts established by the State's School Facility Program. Using the 0.2 student per unit ratio results in an estimated increase of 86 new students from the Proposed Project. The estimated ADA associated with this new enrollment is 78.2 based on the district's budgeted attendance rate of 91 percent in the 2022-23 adopted budget.

**Revenue Impacts from the Project.** Because the Sequoia Union High School District is a Basic Aid district, the district gets the bulk of its revenue from property taxes, with a minimal amount of funding from other state and local sources. In the TRA where the project site is located, the district's share of the base one percent property is 14.9 percent. Based on this percentage and the estimated net increase in assessed values shown in Table 22, the Proposed Project would increase annual property tax revenue by approximately \$437,300.

In addition to funding from property tax revenues, the Sequoia Union High School District would receive a small amount of State funding per student on an annual basis. These sources include the minimum State Educational Protection Account entitlement, State Lottery Funds, and the State Mandated Costs Block Grant, all of which are allocated based on ADA. Annual revenues from these sources would total approximately \$34,700 due to the estimated increase in enrollment from the Proposed Project.

**Expenditure Impacts from the Project.** As shown in Table 22, the District budget for FY 2022-23 includes \$143.7 million in total unrestricted General Fund expenditures, at a rate of \$16,435 per enrolled student. Applying this figure to the increase in enrollment attributable to the Proposed Project (86 students) yields additional Sequoia Union High School District expenditures of approximately \$1.4 million.

**Net Fiscal Impact from the Project.** After accounting for the projected increases in annual revenues and expenditures, the Proposed Project would have a negative fiscal impact on the District, generating an annual fiscal deficit equal to approximately \$941,400. This is equivalent to approximately 0.7 percent of the District's 2022-23 unrestricted General Fund budget net of transfers.

In addition to these ongoing operating impacts, the Proposed Project would also generate one-time impact fees to the District totaling approximately \$830,800 (see Table 15).

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**Table 22: Projected Fiscal Impacts to the Sequoia Union High School District**

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	<b>123 Independence Project</b>
Project Net Change in Multifamily Residential Units	432
Project Net Change in Enrolled Students	86
Project Net Change in ADA	78.2
Project Net Change in Assessed Value	\$294,298,966
Net Change in Annual Property Tax Revenues	\$437,314
Net Change in Annual State Revenues from ADA	\$34,742
Less: Net Change in Projected Annual Expenditures from Enrollment	<u>(\$1,413,433)</u>
<b>Projected Net Fiscal Impact to Sequoia Union HSD (Annual)</b>	<b>(\$941,378)</b>
<b>One-Time Impact Fee Revenue</b>	<b>\$830,822</b>
<b>Assumptions</b>	
<hr/>	
Sequoia Union HSD Student Generation per Unit (a)	0.20
Estimated Average Daily Attendance (ADA) per Enrolled Student (b)	0.91
Sequoia Union HSD Share of Base 1% Property Tax Revenue (c)	14.9%
Unrestricted Revenues per ADA, FY 2022-23	\$444.29
Unrestricted State Local Control Funding Formula (LCFF) Funds per ADA (d)	\$0
Unrestricted State Educational Protection Account Funds per ADA	\$213.98
Unrestricted State Lottery Funds per ADA	\$163.00
Unrestricted State Mandated Costs Block Grant per ADA	\$67.31
Unrestricted General Fund Expenditures, FY 2022-23 Adopted Budget	\$143,693,521
Estimated Enrolled Regular Students, FY 2022-23 Adopted Budget	8,743
Estimated Regular P-2 ADA, FY 2022-23 Adopted Budget	7,949.60
Unrestricted Expenditures per Enrolled Student	\$16,435

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Notes:

- (a) This student generation rate was reported by the District Associate Superintendent of Administrative Services and is derived from the statewide yield average calculated by the State Office of Public School Construction.
- (b) This figure was calculated by dividing the District's FY 2022-23 projected ADA by its projected enrollment.
- (c) This is Sequoia Union High School District's share of the base 1.0 percent property tax in TRA 08-010.
- (d) Sequoia Union HSD is a "basic aid" district. Basic aid districts, also known as "community-funded" districts, collect enough property tax revenues to meet their state-determined LCFF minimum funding targets without state support. Though basic aid districts are entitled to other state funds tied to ADA (listed separately) and a minimum level of guaranteed state support (not tied to growth), they will not receive LCFF state aid to offset the costs generated by additional ADA. For that reason, BAE assumes zero state LCFF funds per ADA.

Sources: Sequoia Union High School District; San Mateo County Controller; BAE, 2022.

## APPENDIX A: FISCAL IMPACTS TO OTHER SPECIAL DISTRICTS

In addition to impacts to the fire and school districts, the project would have fiscal impacts on several other special districts, as described below.

### **Water and Sanitary Districts**

The Menlo Park Municipal Water District (MPMWD), which is part of the City's Department of Public Works, owns and operates its distribution system and purchases water from the San Francisco Public Utilities Commission. The MPMWD serves approximately one-half of the City's population, covering the Sharon Heights area and portions of the City north of El Camino Real, including the Project site.

The West Bay Sanitary District provides wastewater treatment services to areas in Menlo Park, Atherton, Portola Valley, East Palo Alto, Woodside, and unincorporated San Mateo County and Santa Clara County. The District is a member agency of Silicon Valley Clean Water Joint Powers Authority which serves the communities of Redwood City, Belmont, San Carlos, and the West Bay Sanitary District.

Both the MPMWD and the West Bay Sanitary District operate on a cost recovery basis, covering operational costs through user fees. As such, the Project is not anticipated to have an ongoing fiscal impact to the two districts.

The Project would generate connection fees for both districts, providing one-time fee revenue to cover the cost of service connections. The MPMWD assesses connection fees based on the water meter size, while the West Bay Sanitary District collects connection fees that vary based on land use and volume of wastewater discharge.

### **Midpeninsula Regional Open Space District**

The Midpeninsula Regional Open Space District preserves open space and provides opportunities for low-intensity recreation and environmental education. The district covers an area of 550 square miles spanning 17 cities, including the City of Menlo Park. To date, the district has preserved nearly 65,000 acres of public land and created 26 open space preserves, of which 24 are open to the public year-round.

### ***Revenue Impacts from the Project***

Property taxes are the primary source of revenue to the District, accounting for over 90 percent of operating revenues. The District's other sources of revenue, such as grants, interest income, and rental income, are comparatively small and not projected to be impacted by the Proposed Project. The district's share of the base one percent property tax is 1.7 percent in the TRA where

the Project site is located. At buildout, the Proposed Project is projected to increase annual property tax revenues by approximately \$51,400.

**Expenditure Impacts from the Project**

This analysis assumes that the District would not increase its land acquisition efforts as a direct result of the project. In addition, the District’s debt service expenditures would not increase due to the project. As a result, salaries, benefits, services, and supplies, which total approximately \$39.0 million in the FY 2022-23 budget, are the only District expenditures that are likely to be impacted by growth. This results in estimated expenditures equal to \$42 per member of the service population. Annual expenditures would thus be expected to increase by \$44,700 following buildout of the Proposed Project.

**Net Fiscal Impact from the Project**

As detailed in Table A- 1, the Proposed Project would generate a small positive net fiscal impact on Midpeninsula Regional Open Space District (approximately \$6,700 annually).

**Table A- 1: Projected Net Fiscal Impact to Midpeninsula Regional Open Space District**

	<b>123 Independence Project</b>
Project Net Change in Service Population	1,061
Project Net Change in Assessed Value	\$294,298,966
Net Change in Property Tax Revenues	\$51,421
Less: Net Change in Projected Expenditures	(\$44,728)
<b>Projected Net Fiscal Impact to Open Space District</b>	<b>\$6,694</b>
<b>Assumptions</b>	
Open Space District Service Population, 2022	925,581
Open Space District Share of Base 1% Property Tax Revenue (a)	1.7%
General Fund Operating Expenditures, FY 2022-23 Adopted Budget (b)	\$39,031,112
Expenditures per Service Population	\$42.17

Notes:  
 (a) This is the Open Space District’s share of the base 1.0 percent property tax in the TRA where the project site is located. Open Space District property tax revenues are not reduced to fund ERAF.  
 (b) Includes salaries, benefits, services, and supplies only. Does not include capital and project expenses because these expenses are not expected to increase with service population.

Sources: Midpeninsula Regional Open Space District; San Mateo County Controller; Esri Business Analyst; BAE, 2022.

**San Mateo County Community College District**

The San Mateo County Community College District (SMCCCD) offers Associate in Arts and Science degrees and Certificates of Proficiency at three campuses: Cañada College in Redwood City, College of San Mateo in the City of San Mateo, and Skyline College in San Bruno. As of the 2022-23 school year, the District had 12,327 Resident Full Time Equivalent Students (FTES),



which amounts to approximately 0.014 Resident FTES per member of the District's total service population. Assuming the same student generation rate for the net new service population associated with the Project, the Project would result in 14.71 new FTES.

***Revenue Impacts from the Project***

SMCCCD became a Basic Aid district beginning in FY 2012-2013. Similar to Basic Aid elementary and high school districts, Basic Aid community college districts collect local property taxes and student enrollment fees in excess of their State-determined funding target and, therefore, do not receive a general apportionment of funds from the State. State funding is mainly limited to specific small entitlements, several of which accrue to the district's unrestricted General Fund, as well as categorical funds, which do not contribute to the unrestricted General Fund. As a result, most of the district's unrestricted General Fund revenues are derived from local property taxes and student enrollment fees.

As detailed in Table A-2, SMCCCD receives approximately 6.5 percent of the base one percent property tax in the TRA where the Project site is located. In the District's 2022-23 adopted budget, resident student enrollment fees were projected to total approximately \$7.9 million, or approximately \$636 per Resident FTES. Based on this figure and the estimated student generation described above, resident student fees from new enrollment are estimated to increase by approximately \$9,400 from the Proposed Project. The new enrollment generated by the Project would also increase funding from three state entitlements, which are unrestricted and allocated on a per-FTES basis. These include the Educational Protection Account funds (\$100 per FTES), unrestricted State Lottery funds (\$163 per FTES), and State Mandated Cost Block Grant funds (\$32.68 per FTES). As shown below, revenues from these sources would increase by approximately \$4,300.

***Expenditure Impacts from the Project***

In the 2022-23 Adopted Budget, the District budgeted approximately \$242.7 million in unrestricted General Fund expenditures, or \$18,106 per Total District FTES. Assuming the District maintains this per-FTES spending level, the new FTES generated by the Proposed Project (14.71 FTES) would increase the District's operating expenditures by approximately \$266,300.

***Net Fiscal Impact from the Project***

As reported in Table A-2, the Proposed Project would have a negative net fiscal impact on SMCCCD, totaling \$62,700 per year. This is equal to just 0.02 percent of the District's unrestricted General Fund expenditures reported in the 2022-23 Adopted Budget.

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**Table A-2: Projected Net Fiscal Impact to San Mateo County Community College District**

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	<b>123 Independence Project</b>
Project Net Change in Service Population	1,061
Project Net Change in Full-Time Equivalent Students (FTES)	14.71
Project Net Change in Assessed Value	\$294,298,966
Net Change in Property Tax Revenues	\$189,903
Net Change in Student Fee Revenues	\$9,358
Net Change in State Revenues from FTES	\$4,348
Less: Net Change in Projected Expenditures	( <u>\$266,277</u> )
<b>Projected Net Fiscal Impact to SMCCCD</b>	<b>(<u>\$62,667</u>)</b>
<b>Assumptions</b>	
<hr/>	
SMCCCD Service Population, 2022	897,194
Projected Resident Full-Time Equivalent Students (FTES), 2022-23 Adopted Budget	12,440
Resident FTES per Service Population Member	0.014
<b>Revenues</b>	
SMCCCD Share of Base 1% Property Tax Revenue (a)	6.5%
Resident Student Fee Revenues, 2022-23 Adopted Budget	\$7,916,079
Student Fee Revenues per Resident FTES	\$636.34
Unrestricted State Revenues per Resident FTES, 2022-23 Adopted Budget	\$295.68
Unrestricted State Educational Protection Account Funds per FTES	\$100.00
Unrestricted State Lottery Funds per FTES	\$163.00
Unrestricted State Mandated Costs Block Grant per FTES	\$32.68
<b>Expenditures</b>	
Unrestricted General Fund Expenditures, 2022-23 Adopted Budget (b)	\$242,674,080
Projected Total District Full-Time Equivalent Students (FTES), 2022-23 Adopted Budget (c)	13,403
Unrestricted Expenditures per Total District FTES	\$18,106

Notes:

- (a) This is the San Mateo County CCD's share of the base 1.0 percent property tax in the TRA where the project site is located.
- (b) This figure omits capital outlay expenditures as they are not impacted by growth in FTES.
- (c) Total District FTES includes Resident, Out of State, and International Full-Time Equivalent Students (FTES).

Sources: San Mateo County Community College District; San Mateo County Controller; Esri Business Analyst; BAE, 2022.

## San Mateo County Office of Education

The San Mateo County Office of Education (SMCOE) provides support for public schools throughout the County through instructional services, fiscal and operational services, and student services. The Office's instructional services include teacher support, educational technology, and professional development. The fiscal services division assists school districts with accounting, budgeting, payroll functions, and maintaining compliance. SMCOE also provides direct educational services to students with severe disabilities, incarcerated students through juvenile court schools, and at-risk students through community schools.

***Revenue Impacts from the Project***

Like K-12 school districts, SMCOE is funded through a combination of local property taxes and State funds, as determined by the LCFF. SMCOE is a Basic Aid entity, meaning that its property tax revenues exceed its LCFF funding entitlement. The State provides a fixed minimum level of funding, as well as some minor unrestricted and categorical funds, but does not adjust its funding to offset changes in SMCOE’s revenues or expenditures. Consequently, SMCOE could potentially experience fiscal impacts from new development, including the Proposed Project.

This analysis assumes that property tax is the only unrestricted SMCOE revenue source that would be impacted by the Project. Though SMCOE receives several minor unrestricted state funds, such as lottery and Educational Protection Account funds, these funds are tied to ADA for SMCOE-operated schools only. The project is unlikely to generate significant new enrollment at SMCOE-operated schools, given the very low enrollment these schools constitute as a percentage of countywide enrollment.<sup>5</sup> As summarized in Table A-3, SMCOE’s share of the base 1.0 percent property tax in the TRA where the Project site is located is approximately 3.4 percent. Annual property tax revenue to SMCOE would increase by an estimated \$98,800 from the Proposed Project.

***Expenditure Impacts from the Project***

In FY 2022-23, SMCOE budgeted \$37.9 million in unrestricted expenditures, omitting capital outlay and transfers. These expenditures amount to approximately \$438 per enrolled student in San Mateo County as of the 2021-22 school year. The Project would generate 158 new students in Redwood City School District and Sequoia Union High School District combined. As shown in Table A-3, estimated growth-related expenditures would total approximately \$69,200 from the Proposed Project.

***Net Fiscal Impact from the Project***

As detailed in Table A-3, the Proposed Project would produce an annual fiscal surplus for SMCOE totaling approximately \$29,600.

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**Table A-3: Projected Net Fiscal Impact to San Mateo County Office of Education**

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<sup>5</sup> SMCOE-operated schools enroll about 250, or 0.27 percent, of San Mateo County’s approximately 90,315 students, according to 2020-21 enrollment data from the California Department of Education.

	<b>123 Independence Project</b>
Project Net Change in Enrolled Students	158
Project Net Change in Enrolled Students, Redwood City ESD (a)	72
Project Net Change in Enrolled Students, Sequoia Union HSD (b)	86
 Project Net Change in Assessed Value	 \$294,298,966
 Net Change in Property Tax Revenues	 \$98,829
Less: Net Change in Projected Expenditures from Enrollment	(\$69,204)
<b>Projected Net Fiscal Impact to San Mateo COE</b>	<b>\$29,625</b>

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**Assumptions**

San Mateo COE Share of Base 1% Property Tax Revenue (c)	3.4%
 Unrestricted Central Office Expenditures, FY 2022-23 Adopted Budget (d)	 \$37,852,567
Service Population (i.e., Enrolled Students Countywide) (e)	86,422
Unrestricted Expenditures per Service Population	\$438.00

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Notes:

- (a) See Redwood City SD fiscal impact table for details.
- (b) See Sequoia Union HSD fiscal impact table for details.
- (c) This is San Mateo COE's share of the base 1.0 percent property tax in the TRA where the project site is located.
- (d) Expenditures for all unrestricted funds, excluding capital outlay and transfers.
- (e) 2021-22 academic year Census day enrollment for all K-12 public schools, including charter schools, in San Mateo County, as reported by the California Department of Education.

Sources: San Mateo County Office of Education; San Mateo County Controller; California Department of Education; BAE, 2022.

**From:** [Johnston, Jon](#)  
**To:** [Bhagat, Payal](#)  
**Cc:** [Johnston, Jon](#)  
**Subject:** 123 Independence Drive DEIR comments  
**Date:** Wednesday, November 30, 2022 3:12:30 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[Menlo Park Fire Protection District Independent Assessment\\_Final 3.pdf](#)  
[Menlo Park FPD SOC\\_Final.pdf](#)  
[primary\\_response\\_routes.pdf](#)  
[1818-2015\\_Response\\_Times.pdf](#)  
[Menlo Park Fire Fee Nexus Study.pdf](#)

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Please find the following documents relatable to the EIR for 123 Independence.

Menlo Park Fire Protection District comments still apply from the ConnectMenlo EIR. While no additional facilities are needed at this time, the M-2 area growth is changing significantly the added call volume, traffic impacts to response times, building height and area requiring ladder trucks, and population increases requiring additional firefighters. The cumulative effect of all projects will change and require additional resources and facilities upgrade to Station 77 which serves this area. Most importantly is traffic and continued decrease in road width and traffic calming measures in this area which adds to the response times. MPFPD adopts response time standards of which may need to be addressed in the very near future as we are at a area of concern for current response times.

Please feel free to contact me with any specific questions.

Thank you!

Jon



**Jon Johnston**

**Division Chief/Fire Marshal**

Menlo Park Fire Protection District | 170 Middlefield Road | Menlo Park, CA 94025  
 (650) 688-8431

[jonj@menlofire.org](mailto:jonj@menlofire.org)

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December 5th, 2022

To Whom It May Concern,

The Housing Action Coalition's Project Review Committee is proud to endorse the proposed project at 123 Independence Drive. We commend the Sobrato Organization for creating a variety of housing types at various levels of affordability in a high opportunity area. Their efforts to listen and adjust their project plan in response to community input, promotion of affordable homeownership opportunities, and inclusion of public open space exemplifies the types of projects needed throughout the Bay Area, and Menlo Park.

**Land Use:** This project will create 316 homes in a residential, mixed use zoning district and will be replacing five one-story buildings used for offices and warehouses. The site is currently surrounded by mid-rise commercial buildings, but is expected to become a mixed use neighborhood in future years.

**Density:** This project will include 316 homes (53 units per acre) consisting of a 5 story apartment building with studios and 2-bedroom units, 18 below market rate townhomes, and 98 market rate townhomes. The committee commends the project team for utilizing a density bonus to exceed the baseline density. While we wish that the project team maximized density under the bonus, we understand that the townhomes were in response to community input and provide for much needed affordable home ownership opportunities.

**Affordability:** The project exceeds the 15% BMR requirement, with 17% of the project designated as affordable. In addition to going above the mandated affordability levels, the project team will provide additional affordable housing options through 18 affordable homeownership opportunities in addition to the 56 BMR rental units. The committee commends TSO's partnership with Habitat for Humanity Greater San Francisco to develop the affordable townhomes.

**Parking and Alternative Transportation:** The total site has 1.28 parking spots for every unit of housing which slightly exceeds the minimum parking requirement of 1:1. It will additionally include 714 bike parking spaces. While this is more car parking than we would like, the committee understands financing and feasibility concerns. We highly commend the project team's ample bike parking.

**Urban Design:** The project plan includes a .60-acre public park, as well as a 20 foot wide pedestrian and bike connection to the greater neighborhood. The committee is strongly supportive of this public open space, which will help foster community and recreational activities. We encourage the project team to promote access to the park to those living nearby.

**Environmental Features:** This project has a number of features that will make it environmentally friendly, including that it will be all electric, include EV charging stations, feature efficient plumbing, and contain dual plumbing for recycled water reuse. We are excited that this

project is aiming for LEED gold certification in both the apartments and townhomes.

**Community Benefits:** The project includes a number of great residential amenities, most notably the public park, underground wiring, and lifting of the site to remove the development from the flood zone. The committee additionally appreciates the inclusion of 8 below market rate apartments as a community amenity in response to community outreach.

**Community Input:** The Committee is giving this project the highest community input rating due to its efforts to meet with different community members and stakeholders, as well as its willingness to adjust the development plan in response to community outreach. Some of the main results of community input were the decision to eliminate the construction of an office building in favor of creating more housing and the greater home ownership opportunities that came from this project's relationship with Habitat for Humanity Greater San Francisco.

Sincerely,



**Corey Smith**, *Executive Director*  
Housing Action Coalition (HAC)



## STAFF REPORT

### Planning Commission

**Meeting Date:** 12/12/2022

**Staff Report Number:** 22-073-PC

### Public Hearing and Study Session:

**Public hearing for the environmental impact report (EIR) scoping session and study session for the proposed Parkline masterplan project to redevelop SRI International's research and development (R&D) campus with a new office/R&D campus with no net increase in commercial square footage, up to 550 new multi-family dwelling units and 25 acres of publicly accessible open space at 333 Ravenswood Avenue**

### Recommendation

Staff recommends that the Planning Commission conduct the following items for the proposed project to redevelop SRI International's research campus with a new office/R&D, transit-oriented campus with no net increase in commercial square footage, up to 550 new dwelling units at a range of affordability levels, new bicycle and pedestrian connections, and 25 acres of publicly accessible open space:

- EIR scoping session to receive public testimony and provide comments on the scope and content of a EIR for the proposed project; and
- Study session to receive public comments and provide feedback on the proposed project.

The December 12<sup>th</sup> meeting will not include any project actions. The proposal will be subject to additional review at future Planning Commission and City Council meetings.

Staff recommends the following meeting procedure to effectively and efficiently move through the two items, allowing the public and the Planning Commission to focus comments on the specific project components.

#### ***EIR scoping session***

- Introduction by Staff
- Presentation by Applicant on Project Proposal
- Presentation by City's EIR Consultant
- Public Comments on EIR scope
- Commissioner Questions on EIR scope
- Commissioner Comments on EIR scope
- Close of Public Hearing

#### ***Project proposal study session***

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



- Commissioner Comments on Project

Staff believes that it would be beneficial for the Planning Commission and members of the public to receive the applicant's presentation during the EIR scoping session portion of the public hearing to provide a more robust understanding of the proposed project that will be studied in the EIR. Accordingly, staff recommends that the Planning Commission allow the applicant to present the overall project, followed by a presentation from the City's EIR consultant (ICF) outlining the California Environmental Quality Act (CEQA) process.

### Policy Issues

Scoping sessions on the EIR provide an opportunity early in the environmental review process for Planning Commissioners, public agencies, and community members to comment on specific topics that they believe should be addressed in the environmental analysis. Study sessions provide an opportunity for Planning Commissioners and interested community members to provide more general feedback on a proposed project, with comments used to inform future review and consideration of the proposal. The EIR scoping session public hearing and study session should be considered as separate items, as part of the same hearing.

A masterplan project provides a vision and framework for growth and development of the site. The applicant is requesting general plan and zoning ordinance amendments to enable the proposed masterplan development. The new general plan land use designation would allow for residential dwelling units, public and quasi-public uses, office, R&D, and supporting uses. As currently proposed, the designation would apply to the entire site and establish a maximum residential density at 45 dwelling units per acre and a maximum commercial floor area ratio (FAR) of 0.6, based on the amount of existing square footage on-site, to allow up to approximately 1.38 million square feet of non-residential uses. The non-residential square footage would not exceed the current square footage of all buildings on the project site.

The proposed project is anticipated to require the following entitlements and/or City permits:

1. **Environmental Review** to analyze potential environmental impacts of the proposed project through a full EIR, pursuant to CEQA;
2. **General Plan and Zoning Ordinance Amendments** to enable the proposed masterplan development;
3. **Rezoning** to apply the new zoning district(s) to the project site;
4. **Conditional Development Permit (CDP)** to enable comprehensive planning of the project;
5. **Development Agreement (DA)** for vested rights in exchange for community benefits;
6. **Architectural Control** to review the design of the future new buildings and associated site improvements;
7. **Vesting Tentative Map** to merge the existing lots and re-subdivide in a manner consistent with the proposed improvements;
8. **Heritage Tree Removal Permits** to remove heritage trees to enable the proposed project and plant heritage tree replacements per the City's municipal code requirements; and
9. **Below Market Rate (BMR) Housing Agreement** to provide on-site BMR units in accordance with the City's BMR Ordinance.

In addition, a Fiscal Impact Analysis (FIA), Water Supply Assessment (WSA), and Housing Needs Assessment (HNA) will be prepared. Additional actions and entitlements may be required as the project plans are refined.

The City Council would be the decision-making body for the EIR, general plan amendment, zoning ordinance amendment, and rezoning to allow the proposed mix of uses and densities/intensities requested by the applicant, and the CDP to enable comprehensive planning of the project. The City Council would also be the acting body on the development agreement, which would provide vested rights in exchange for community benefits, the vesting tentative map to merge the existing lots and re-subdivide in a manner consistent with the proposed improvements, and the BMR Housing Agreement. The Planning Commission would be the acting body for any future architectural control permits for the proposed new buildings and the recommending body on all other entitlements, and the City Arborist would issue the Heritage Tree Removal Permits.

## Background

SRI International (formerly known as the Stanford Research Institute) is an independent, nonprofit research institute located on an approximately 63-acre campus at 333 Ravenswood Avenue. The existing development on the SRI campus is regulated through a CDP, which was first approved in 1975. The most recent amendment to the CDP occurred in 2004 for the construction of Building T, at the southernmost portion of the campus. The CDP establishes standards for the use and development of the campus.

The site of SRI's campus has been reduced over time. In 1978, an amendment to the CDP was approved to remove approximately 10.3 acres from the site for the development of the McCandless office complex on Middlefield Road, and in 1997, the size of the campus was further reduced when part of the property was sold to Classic Communities for the development of 33 single family residential units in the Burgess Classics development.

The existing CDP allows a maximum employee count of 3,308. The applicant indicates approximately 1,100 people are currently employed at the project site, although SRI's headcount has fluctuated between approximately 1,400 and 2,000 workers since 2003.

Lane Partners has been working with staff on this proposal and submitted a pre-application package in April 2021. On June 22, 2021, the applicant gave an introductory presentation on the project to the City Council. Although the Council didn't provide specific feedback, public comment was received. In October 2021, the applicant submitted a formal application package, with a resubmittal package submitted in January 2022. The Planning Commission reviewed the proposed project at a study session during its meeting on March 28, 2022, received public comments and asked clarifying questions. Planning Commissioners discussed the following at the study session:

- Interest in increasing residential densities and inquiries regarding an acre of land being used for a fully affordable project, in addition to the required 15% below market rate (BMR) housing units;
- Interest in reducing proposed parking and/or placing parking underground;
- Questions about the programming for the sports field and potential conflict with the adjacent church;
- Questions about the pre-pandemic parking needs and number of employees at SRI;
- Concerns about traffic congestion and interest in increased transit use for future site occupants; and
- Interest in the potential realignment of Ravenswood Avenue and Ringwood Avenue.

Excerpt minutes from the March 28<sup>th</sup> Planning Commission meeting are included as Attachment I.

The City Council held a study session on May 10, 2022, reviewed the proposed project, received public comments and asked clarifying questions. City Council members discussed the following general topics at

the study session:

- Options to mitigate noise;
- Security and bike and pedestrian safety;
- Potential shuttle programs, parking ratios, and transit passes;
- BMR requirements and other affordable housing;
- Onsite amenities/community amenities;
- Site density and intensity; and
- Water usage of the proposed project.

**Site location**

For purposes of this staff report, Ravenswood Avenue is used in an east to west geographic orientation. The project site is located at 333 Ravenswood Avenue and generally bound by Laurel Street to the west, Ravenswood Avenue to the north, Middlefield Road to the east and the Burgess Drive ROW to the south. The site contains 38 existing buildings, totaling approximately 1.38 million gross square feet, which include a mix of office, R&D, and support uses. The surrounding zoning and land uses are provided in Table 1 and a location map is included as Attachment A.

Table 1: Surrounding Land Uses and Zoning		
Item	Existing Land Uses	Zoning
North	Single-Family & Multi-Family Residential/Church	R-1-S/R-2/R-3/City of Atherton
South	City Corp. Yard/USGS/Multi-Family Residential	PF/R-3(A)
East	Menlo Atherton High School/Office (McCandless office complex)	City of Atherton/C-1-X
West	Civic Center/Burgess Park/Single-Family Residential (Classic Communities)	PF/R-3(X)

Most nearby buildings are one to three stories in height. Ravenswood Avenue and Middlefield Road are major city through streets (classified as “Avenues – Mixed Use” in the City’s Circulation Element). The Park Station (Caltrain) and the developing Downtown/EI Camino Real area are within walking and biking distance.

**Project overview**

The applicant is proposing to comprehensively redevelop the SRI campus with a residential, office, R&D, and retail mixed-use project. The proposed project would be divided into an approximately 53-acre office/R&D campus covering most of the existing project site and a 10-acre residential area along the Laurel Street edge of the project site extending slightly east along Ravenswood Avenue. Site circulation, open space, and landscaping (other than retained trees) would be redesigned and rebuilt per a new comprehensive campus plan, including new bicycle and pedestrian connections. There would be no net increase of non-residential square footage. Primary program elements include:

- Approximately 287,000 square feet of existing office/R&D (retained in Buildings P, S, and T);
- Demolition of 35 structures comprising approximately 1.1 million square feet, to be replaced with new office/R&D space in five main structures, three to five stories in height, along with a smaller amenity building;
- Three new parking structures for the non-residential uses;
- 450 multifamily residential dwelling units (19 townhomes at two stories) and (431 apartments at three to

- six stories) in approximately 500,000 square feet of floor area;
- An approximately one-acre portion of land, proposed to be dedicated to an affordable housing developer for the future construction of a 100 percent affordable housing or special needs project of up to 100 dwelling units;
- Approximately 25 acres of landscaped, publicly-accessible open space, including a large central open space between the office/R&D buildings; and
- A sports field and one-story community building adjacent to the Ravenswood Avenue/Middlefield Road intersection.

As part of the proposed project, the existing 6-megawatt natural gas power plant that generates power and steam energy for the existing SRI International campus would be demolished and the entire project site would be converted to all-electric energy usage, with the exception of two of the existing buildings that would remain (Buildings P and T) and potential backup diesel generators, in compliance with the city Reach Code. (It is possible that limited exceptions may be requested to accommodate additional life science uses.)

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

### ***CEQA review***

An EIR is an informational document that the City must prepare and consider before any discretionary action is taken by the City on the proposed project. The purpose of an EIR is to provide decision makers and the public with detailed information about the effect that the proposed project may have on the environment, list ways in which the significant effects of the proposed project might be minimized and identify alternatives to the proposed project. The main substantive components of an EIR are as follows:

- The project description, which discloses the activities that are proposed for approval;
- Discussion and analysis of the potentially significant environmental effects of the proposed project, including cumulative impacts and growth-inducing impacts;
- Discussion of ways to mitigate or avoid the proposed project's potentially significant environmental impacts; and
- Discussion of alternatives to the project as proposed.

The EIR process begins with the City's decision to prepare an EIR. The City determined that an EIR was required for the proposed project and issued a Notice of Preparation (NOP). The proposed project requires a full EIR instead of a focused EIR as has been prepared for some projects in the Specific Plan and Bayfront areas. Because this will be a full EIR, an initial study was not prepared as has been done for projects that utilize a focused EIR; this is because a full analysis will be done in the EIR of the proposed project's potential impacts. The City released the NOP (Attachment F) on December 2, 2022.

The draft EIR will be prepared and processed in accordance with CEQA and the State CEQA Guidelines in effect at the time of the release of the NOP.

### CEQA topic areas included in EIR

The EIR will analyze whether the proposed project would have significant environmental effects in the following topic areas:

- Aesthetics<sup>1</sup>
- Air Quality
- Biological Resources
- Cultural Resources
- Energy
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Population and Housing
- Public Services and Recreation
- Utilities
- Transportation and Traffic
- Tribal Cultural Resources

To help prepare several of these sections and analyze the potential impacts, a transportation impact analysis (TIA) will be prepared in accordance with the City's TIA Guidelines. The EIR will use vehicle miles traveled (VMT) as the CEQA threshold of significance for transportation and traffic. In addition, while not required by CEQA, a housing needs assessment (HNA) will be prepared to inform the population and housing analysis.

### CEQA topic areas not requiring further analysis

The proposed project is not anticipated to result in environmental impacts in the following topic areas:

- Agricultural or Forestry Resources
- Mineral Resources
- Wildfire

The project site is fully developed in an urbanized area and within a transit priority area. As such, agricultural and mineral resources do not exist on the site and wildfires are not considered a concern. A detailed analysis of these topics will not be included in the EIR. Therefore, these topic areas are currently scoped out of the EIR. This, however, does not limit the public or Planning Commission's ability to comment on the scope and content of the EIR relative to these topic areas.

## **Analysis**

### ***EIR Scoping Session***

The City released a Notice of Preparation (NOP) (Attachment F) for the proposed project on December 2, 2022, beginning an extended review and comment period ending on January 9, 2023 to account for the City Hall closure from December 26, 2022 through January 2, 2023. Hard copies are also available for review at the Menlo Park Main Library and Belle Haven Branch Library. Interested persons should inquire at the library reference desk.

A NOP signals the City plans to prepare an EIR for the proposed project and begins the EIR process. The NOP and scoping process is designed as an early opportunity to seek guidance from interested parties,

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<sup>1</sup> The project site is located within a "transit priority area", as defined, and thus pursuant to Public Resources Code Section 21099, aesthetic and parking impacts are not considered significant impacts on the environment. Accordingly, the analysis in the EIR will reflect this statutory directive. Nevertheless, the City still retains authority to consider aesthetic impacts pursuant to its design review authority.

agencies and members of the public on the scope and content of the EIR. The EIR is an informational document the purpose of which is to provide decision makers and the public with detailed information about the potential impacts that the proposed project may have on the environment, list ways in which the potentially significant impacts of the proposed project might be minimized, and identify alternatives to the proposed project.

The December 12, 2022 Planning Commission meeting falls within the required minimum 30-day comment period, and serves as a scoping session for the proposed project. Comments can be made on the scope, content, and focus of the analyses in any of the CEQA topic areas, including the topics proposed to be scoped out of the EIR. Examples of comments include, but are not limited to, suggested mitigation measures, suggested alternatives (e.g. increase or decrease in housing units, commercial square footage, other uses etc.), or areas of study that should not be scoped out. These topics are only examples to help provide context to the Commission, interested agencies, and members of the public on the types of comments that could be provided on the EIR scope and are not intended to limit the scope of comments.

Verbal comments received during the scoping session and written comments received during the NOP comment period on the scope and content of the environmental review will be considered while preparing the draft EIR. NOP comments will not be responded to individually; however, all written comments on the NOP will be included in an appendix of the draft EIR, and a summary of all comments received (both written and verbal) on the NOP will be included in the body of the draft EIR.

#### Analysis of proposed office and R&D

The Office/R&D District buildings would be flexibly designed to accommodate office or R&D tenants, including life science uses, depending on future tenant and market needs. Likely the proposed project buildout would contain a mixture of these uses. Because future tenants have not been identified, the EIR will evaluate two scenarios: a 100 percent office scenario and a 100 percent R&D scenario. Each section in the EIR will evaluate the most intense scenario for the resource area being analyzed. This will ensure that the EIR evaluates the proposed project's maximum potential impact, and that any future tenant mix is within the scope of the EIR. The applicant indicates anticipated tenant occupancy levels within the Office/R&D District would be consistent with current market demands:

- Office: Approximately one occupant per 250 square feet
- R&D: Approximately one occupant per 350 square feet to 425 square feet for life sciences

#### Variants

Variants are variations of a project at the same project site, with the same objectives, background, and development controls but with additions and changes from a project, whose inclusion may or may not reduce environmental impacts. Thus, variants are distinct from "alternatives" (discussed below) insofar as CEQA requires the consideration of alternatives to avoid or lessen significant effects of a project. The EIR will include variants proposed by the Project Sponsor or the City and the description and analysis of the variants will be equal in detail to those of the proposed project. The EIR will describe and analyze the following variants:

- Emergency Reservoir Variant: This variant would be similar to the proposed project except it would also include an approximately 2 million gallon below grade concrete water reservoir and associated facilities (including a pump station building, surge tank, and well head) that would be aboveground and surrounded by a fence or screen. The area for the emergency reservoir and associated facilities would be leased by the City. The specific location of the emergency water reservoir and associated facilities within the project site has not yet been determined, but would likely be located on the northeastern portion of the project site.

- Increased Residential Variant: This variant would be similar to the proposed project except it would include up to 600 multi-family residential units, 50 more dwelling units than under the Proposed Project. The additional residential dwelling units would be located along Laurel Street within the Residential District. As a result, the proposed building height along Laurel Street would increase and additional subterranean parking may be required.

### Alternatives

If there are significant impacts, the alternatives analysis will focus on those alternatives that would reduce identified impacts. If the impacts are less than significant with mitigation, the alternatives analysis is anticipated to focus on those alternatives that would further reduce those impacts or provide policy focused alternatives considering allowable development under the Zoning Ordinance. Section 15126.6(e) of the State CEQA Guidelines requires the evaluation of a No Project Alternative. Other alternatives may be considered during preparation of the EIR and will comply with the State CEQA Guidelines, which call for a “range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project.” The City is currently considering analysis of the following alternatives, and is seeking input on these alternatives and any other potential alternative that should be evaluated as part of the EIR:

- CEQA-Required No Project Alternative (maintaining the existing buildings with no new construction);
- Project Alternative that would reduce any environmental impacts; and
- Policy focused project alternative.

### Next steps

Following the close of the comment period on the scope and content of the EIR, City staff and the consultant will consider all comments in the development of the draft EIR. The draft EIR is tentatively planned to be released in the summer of 2023 with a minimum 45-day public review and comment period. During the 45-day review and comment period on the draft EIR, the Planning Commission would hold a public hearing to discuss the draft EIR at which interested persons would be able to provide comments. Once the draft EIR comment period is completed, the environmental consultant will review and respond to all comments received in what is referred to as a “Response to Comments” document or final EIR.

### ***Study Session***

#### Planning Commission considerations

The study session portion of this report highlights a variety of topic areas and discussion items for consideration. As the Planning Commission reviews the proposal, staff recommends that the Commission consider the following topics and use these as a guide to ask clarifying questions:

- Proposed land uses and site density and intensity;
- Site access, including vehicular, pedestrian and bicycle;
- Architectural styles;
- Design and layout of open space;
- Parking locations and ratios; and
- Proposed sustainability measures.

### Project updates

The addition of a separate parcel of land to be leased to an affordable housing developer and the increase from 400 to 450 proposed dwelling units, not including the separate parcel, are the main revisions to the proposed project since the previous Planning Commission study session on March 28, 2022. Smaller revisions, including orienting proposed buildings to make the main publicly accessible open spaces visible

from the public streets and some square footage updates have also been made and are discussed below.

Office/R&D district

The office/R&D district would be located in the middle of the site and extend to the eastern and southern property lines as well as to a portion of the northern property line. The applicant proposes that the new office/R&D buildings would be designed for established and emerging businesses. The project would consist of approximately 1.1 million square feet of office/R&D in five new buildings, an office amenity building, and a new community building. The project site currently contains approximately 1.38 million square feet of R&D/office uses. Existing Buildings S and T, located to the west of the USGS site, and Building P, located to the east of the proposed new residential buildings along Laurel Street, total approximately 283,826 square feet and would be retained for SRI’s continued operations. Table 2 provides additional information on the buildings that would comprise the non-residential uses and minor square footage adjustments made since the previous submittal.

Table 2: Non-residential buildings		
Building	Gross floor area (March 2022)	Gross floor area (December 2022)
Bldg. 1 (3 stories)	165,000 sf	184,000 sf
Bldg. 2 (5 stories)	244,000 sf	227,300 sf
Bldg. 3 (5 stories)	244,000 sf	227,300 sf
Bldg. 4 (4 stories)	198,000 sf	229,000 sf
Bldg. 5 (4 stories)	198,000 sf	184,000 sf
Office Amenity Bldg. (2 stories)	44,719 sf	40,000 sf
Community Bldg. (1 story)	2,000 sf	2,002 sf
<b>Sub-Total (new)</b>	<b>1,095,719 sf</b>	<b>1,093,602 sf</b>
Bldg. P (existing to remain)	180,519 sf	183,423 sf*
Bldg. S (existing to remain)	21,241 sf	21,241 sf**
Bldg. T (existing to remain)	82,066 sf	82,066 sf**
<b>Sub-total (existing to remain)</b>	<b>283,826 sf</b>	<b>286,730 sf</b>
<b>TOTAL</b>	<b>1,379,545 sf</b>	<b>1,380,332 sf</b>

\*This number is a correction of the existing square footage for Building P

\*\* These square footages represent the existing square footages and do not reflect any changes associated with SRI’s separately proposed tenant improvements. The applicant indicates the tenant improvements are estimated to yield approximately 3,000 additional square feet within Building P and a reduction of approximately 6,000 square feet within Building S.

The applicant proposes that the non-residential portion of the project would be accessible to vehicles from two entrances along Ravenswood Avenue and two entrances along Middlefield Road. The applicant indicates the proposed office/R&D buildings would be arranged to form a central aggregated, publicly-accessible open space, and the proposed architectural character of the buildings would be modern, with



building masses defined by main entrances, first floor articulations such as loggias, elevated exterior balconies, and the use of natural materials and integrated indoor/outdoor workspaces. As shown in the preliminary architectural plans exterior cladding systems under consideration include terracotta rainscreen, glass fiber reinforced concrete, metal panel, stone, and other natural materials.

An approximately 40,000-square-foot, two-story office/R&D amenity building is proposed directly adjacent to Parking Garage 3. The building would contain a full-service café and other amenities, including a possible fitness center, for SRI and the site’s commercial tenants.

The project plans identify that parking for the non-residential uses would be provided in three parking garages, three to four stories tall, and surface parking areas located throughout the site. Parking Garages 1 and 2 would be located along the eastern property line and Parking Garage 3 would be located more centrally near the southwest of the project site, just south of the office amenity building. Buildings 1 and 5 would each have some underground parking spaces as well.

*Community building*

An approximately 2,000-square-foot, one-story, community-serving building is proposed to be located on the northeast corner of the site, across Middlefield Road from Menlo Atherton High School. The applicant indicates this building would include community-serving retail uses, which may include a bicycle repair shop and juice bar, and publicly-accessible restrooms. As project review continues, the uses within this building would be further refined by the applicant. This building is proposed to be adjacent to a publicly-accessible open space, which could provide community functions, such as a recreational field, public parking, and a children’s play area. The public parking would be available to users of the publically-accessible open space and community building, and the neighboring church would use some spaces, as they currently use some SRI parking spaces per parking agreements. The applicant indicates specific programming functions for the community building and surrounding facilities would be determined in coordination with the City and community.

Residential district

The proposed 450 housing units would consist of approximately 431 apartments and 19 townhomes, with 15 percent of units proposed to be affordable units pursuant to the City’s BMR housing program. Table 3 below indicates the proposed unit types and totals. As currently proposed, the totals include BMR units but the specific numbers of BMR units for each unit type and income level have not been determined.

Table 3: Residential Units		
Unit Type	Unit total (March 2022)	Unit total (Dec. 2022)
Studio	70	75
1 bedroom/1 bath	175	198
2 bedroom/2 bath	125	144
3 bedroom/ 2 bath	11	14

3 bedroom/2bath (townhouse)	19	19
<b>Total</b>	<b>400</b>	<b>450</b>

The residential district would extend from the Burgess Classics neighborhood along Laurel Street north to Ravenswood Avenue and east, partially along Ravenswood Avenue. Approximately 19 rental townhouses would be located between the apartment buildings and the Burgess Classics neighborhood to further diversify the housing mix and provide a scaled transition from the multi-family buildings to the single-family residences. The 431 apartments would be distributed between the three buildings, three to six stories in height, and a total of approximately 500,000 square feet of gross floor area. All residential units are noted in the project description to have some type of exterior deck or patio.

Since the previous study session, the proposed project has been revised to include a separate approximately one-acre portion of land, proposed to be dedicated to an affordable housing developer for the future construction of a 100 percent affordable housing or special needs project which would be separately rezoned as part of the proposed project for up to 100 units. The exact location of this dedicated land area has not been determined.

Parking for the apartments is proposed to be above-grade, in one-story garages, creating a podium on the second floor for common open space for each apartment building. Residential buildings 1 and 2 are also now designed to include one level of subterranean parking. The majority of the garages would not be visible as apartments would partially wrap the sides of the parking structures on the first level. There would also be some surface parking along the private street adjacent to apartment buildings for short-term and visitor parking. The townhome portion of the project would be organized around its vehicle access, with the parking spaces for the townhomes in attached garages.

The project description indicates the buildings would be Mission Style (i.e., Spanish derivative) with white stucco walls, heavy timber brackets and detailing, and clay tile roofs. Building massing would include peaked/sloped rooflines. Additionally, the applicant indicates main building entrances would be highlighted along the street with landscaping, human-scaled plazas, lighting, and trellis structures.

The proposed residential units would be rental units. The applicant indicates that a ground lease for the residential units, and the rest of the project site, is anticipated and this would limit the ability to include for-sale units.

#### Vehicular access and site circulation

The proposal includes separate vehicular circulation for the residential and office/R&D uses although paths for pedestrian and bicycle access would provide connections between the two elements. A loop road, with access off of Ravenswood Avenue and Middlefield Road, would provide access to the office/R&D buildings and the community building. The apartment buildings are proposed to have their own access road with entry points at Laurel Street and Ravenswood Avenue. The townhomes are proposed to have a separate access directly from Laurel Street, which would not connect to the road between the apartment buildings or the loop road. As shown on the master plan project plans (Attachment B), there would also be emergency vehicle access from the apartment buildings to the loop road and from the loop road to Laurel Street. There would also be emergency vehicle access to the loop road from Burgess Drive. The applicant indicates a security

gate for emergency access and limited service vehicles would likely be located where Burgess Drive intersects the loop road, however, the gate would not impede bicycle or pedestrian circulation.

The applicant's proposal states the circulation design would achieve the following objectives:

- Establishment of private internal streets and roads;
- Separation of office/R&D from residential access and circulation;
- Creation of on-site roads to manage internal vehicular circulation and access to office/R&D and residential buildings;
- Minimization of additional vehicular circulation to and from Laurel Street;
- Three access points to the residential portion of the site (one along Ravenswood Avenue, toward the west side of the site, one along Laurel Street for the multi-family residential buildings, and a separate driveway entrance along Laurel Street for the townhouses);
- An internal road to the three main residential buildings and vehicular access to parking garages and loading areas;
- Four access points to the office/R&D portion of the site (two along Ravenswood Avenue and two along Middlefield Road, with one at Ringwood Avenue and one at Seminary Drive); and
- An internal loop road to provide access to all of the office/R&D buildings, office amenity building, community building, parking garages, surface parking areas, loading areas, as well as emergency vehicle access.

The applicant indicates the project would develop a project-specific TDM (Transportation Demand Management) plan for both the residential and non-residential uses to reduce the total number of single-occupancy vehicle trips affiliated with the project by 20 percent, with a TDM plan that would complement the mixed-use campus' proximity to downtown and the Menlo Park Caltrain station. The applicant indicates that they anticipate the Project would provide electric-powered shuttles for use by employees and residents for access to and from the Caltrain station.

#### Pedestrian and bicycle circulation

A Class I multiuse bicycle and pedestrian path would be located on the north side of the site along Ravenswood Avenue. This on-site path would create a protected alternative option for bicyclists currently using the bike lane on Ravenswood Avenue. The Class I path would loop southward into the project site toward the east and provide a crossing at Ringwood Avenue and Middlefield Road. This would provide safe access to Menlo Atherton High School and would connect to the existing bicycle path on Middlefield Road. A Class I multi-use bicycle and pedestrian path would extend from Laurel Street at Burgess Drive along Burges and the south side of the project site to connect to Middlefield Road at Seminary Drive. On the west, this path would be situated at Laurel Street to connect to the City's proposed Caltrain undercrossing at El Camino Real.

The proposed bicycle and pedestrian connections through the site would link with a broader network of existing and planned infrastructure, as can be seen on the map included as Attachment G from the City's Transportation Master Plan. The proposed Middle Avenue undercrossing would connect bicycle/pedestrian infrastructure to the west of El Camino Real with the bicycle/pedestrian path along the southern edge of the project site. At Middlefield Road, bicyclists would be able to travel east along Ringwood Avenue to the US 101 bicycle and pedestrian bridge, through the Belle Haven neighborhood and access the Bay Trail through

the recently opened bicycle/pedestrian bridge over Bayfront Expressway at the Meta West Campus.

### Parking

Overall, the parking rate for the non-residential uses would be approximately two spaces per 1,000 square feet. According to City records, the current parking rate for the project site is approximately 2.3 spaces per 1,000 square feet. For comparison, the LS (Life Sciences) district in the Bayfront area requires a maximum of 2.5 parking spaces per 1,000 square feet and a minimum of 1.5 parking spaces per 1,000 square feet for R&D uses and the O (Office) district requires a maximum of three spaces and a minimum of two spaces per 1,000 square feet of office space.

The parking rate for the residential dwelling units would be approximately one space per apartment and two spaces per townhome. The applicant indicates in their project description letter that shared parking would be available for residential visitors on evening and weekends at the office/R&D surface lots and parking structures. While parking rates vary throughout the zoning districts, the R-MU (Residential Mixed Use) zoning district has an emphasis on residential and requires a minimum of one parking space per unit. This district also limits permitted parking to a maximum of 1.5 spaces per unit.

### Trees, landscaping, and open space

The applicant indicates their landscape concept is to create a network of publicly-accessible pedestrian and bicycle trails, parks, open spaces, and active/passive recreational areas, incorporating many existing and new trees. Additionally, the applicant indicates open space would also be utilized to create welcoming edges along Ravenswood Avenue, Laurel Street and Middlefield Road. The three main open space areas are described below.

#### *Ravenswood Avenue Parklet*

The Ravenswood Avenue parklet would be approximately six acres located on the northerly edge of the site along Ravenswood Avenue and would protect the existing heritage trees and provide a landscaped and screened frontage. A shared use path would weave through the existing trees in the setback area to connect with and support pedestrian and bicycle circulation throughout the site. Small scale public spaces, such as picnic areas and exercise stations would be connected to the shared-use path. The parklet would lead to a large multi-use plaza which would provide a visual connection to the Parkline Central Commons.

#### *Parkline Recreational Area*

The Parkline Recreational Area would provide a community recreational sports area of approximately two acres, located on the northeast corner of the site at the intersection of Ravenswood Avenue and Middlefield Road. This area would be connected to the Ravenswood shared-use path. This open space area would provide publicly accessible community functions, such as a recreational field, public parking, a children's play area, and other activity areas. In addition, the approximately 2,000-square-foot community amenities building would contain publicly accessible restrooms, and potentially small retail spaces. The City is exploring a possible partnership with Parkline to evaluate opportunities for emergency water supply and/or storage facilities in this area, and this concept is included as a project variant and described under the EIR Scoping Session portion of this report.

#### *Parkline Central Commons*

The Parkline Central Commons would provide an approximately 9-acre central open space area located between the Office/R&D buildings and the office amenities building. This space would offer a variety of programmed open space, such as flexible-use lawn areas and a multi-use plaza that can accommodate gatherings. The Parkline Central Commons may also include an event pavilion and landscaped areas. Additionally, smaller landscaped spaces for tenant use would be located adjacent to the buildings, which would provide outdoor seating and shaded tree groves. Primary pedestrian circulation paths would connect all the edges of the site to the Parkline Central Commons.

Since the previous study session, the applicant has revised the plans to increase the visibility of the central publically accessible open space by relocating the office amenity building to be directly adjacent to Parking Garage 3 and reorienting Office Building 5. These revisions to the site plan would allow the Central Commons to be visible from Laurel Street, and to lesser extent from Ravenwood Avenue.

### *Heritage trees*

The site currently contains 565 heritage trees, of which 351 would be retained and 214 would be removed. Including non-heritage trees, approximately 615 trees would be retained on site and an additional 912 trees are proposed to be planted. The size/age of the trees to be planted has not yet been determined but as the plans develop, staff will work with the applicant to determine appropriate tree sizes/ages. A complete tree survey and disposition plan is included as hyperlink Attachment H. The applicant indicates their tree management and retention plan is based on the following:

- The preservation of healthy heritage trees that are of a desirable tree species;
- Special effort to preserve coastal live oaks, valley oaks, and coast redwoods based on their native habitat and ecological significance; and
- Incorporation of existing heritage trees into the overall design.

As the project review continues, the Planning Division and City Arborist team will review and evaluate the arborist report, the tree disposition and removal plans, and determine whether the requested heritage tree removals are supportable based on the information to be provided with heritage tree removal permit applications. If the City Arborist approves some or all of the removals, his or her decision is appealable to the Environmental Quality Commission. Further, as part of that review, the City will evaluate the potential impacts of the project on the heritage trees proposed to remain and work with the applicant team to identify preservation measures. The heritage tree replacement plan would be subject to the City's valuation requirements for replacement trees. The replacement plan will be incorporated into subsequent reviews of the proposed project.

### Sustainability

The applicant indicates the project would incorporate the following sustainability measures:

- Pursue certification by the state as an Environmental Leadership Development Project (under SB 7). As part of that certification, the proposed project would need to demonstrate that it would result in no net additional GHG emissions compared to existing conditions.
- Source-separating and tracking waste throughout construction to divert waste away from landfills.
- Demolition of most existing buildings onsite, including the cogeneration plant, and replacement with more energy efficient buildings.
- Incorporation of a range of LEED certification strategies or equivalent standards across the Office/R&D

- and Residential Districts, including minimum LEED Gold certification by the USGBC or equivalency verified through the City of Menlo Park's LEED Performance Program, and related certifications;
- LEED New Construction certification or equivalent standards for multifamily residential buildings;
  - LEED for Homes certification or equivalent standards for residential.

### Correspondence

As of the writing of this report, staff has received one item of correspondence regarding the project since the previous study session. The email, included as Attachment J, discusses concerns regarding the sports field.

### **Impact on City Resources**

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the proposed project. The project sponsor is also required to fully cover the cost of work by consultants performing environmental review and additional analyses to evaluate potential impacts of the project.

### **Environmental Review**

An EIR will be prepared for the proposed project. On October 18, 2022 the City Council authorized the City Manager to enter into a revised contract with ICF to complete the environmental review and prepare an EIR for the proposed project. The Planning Commission would provide a recommendation to the City Council on the project entitlements including the certification of the EIR, after the completion of the environmental review.

### **Public Notice**

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

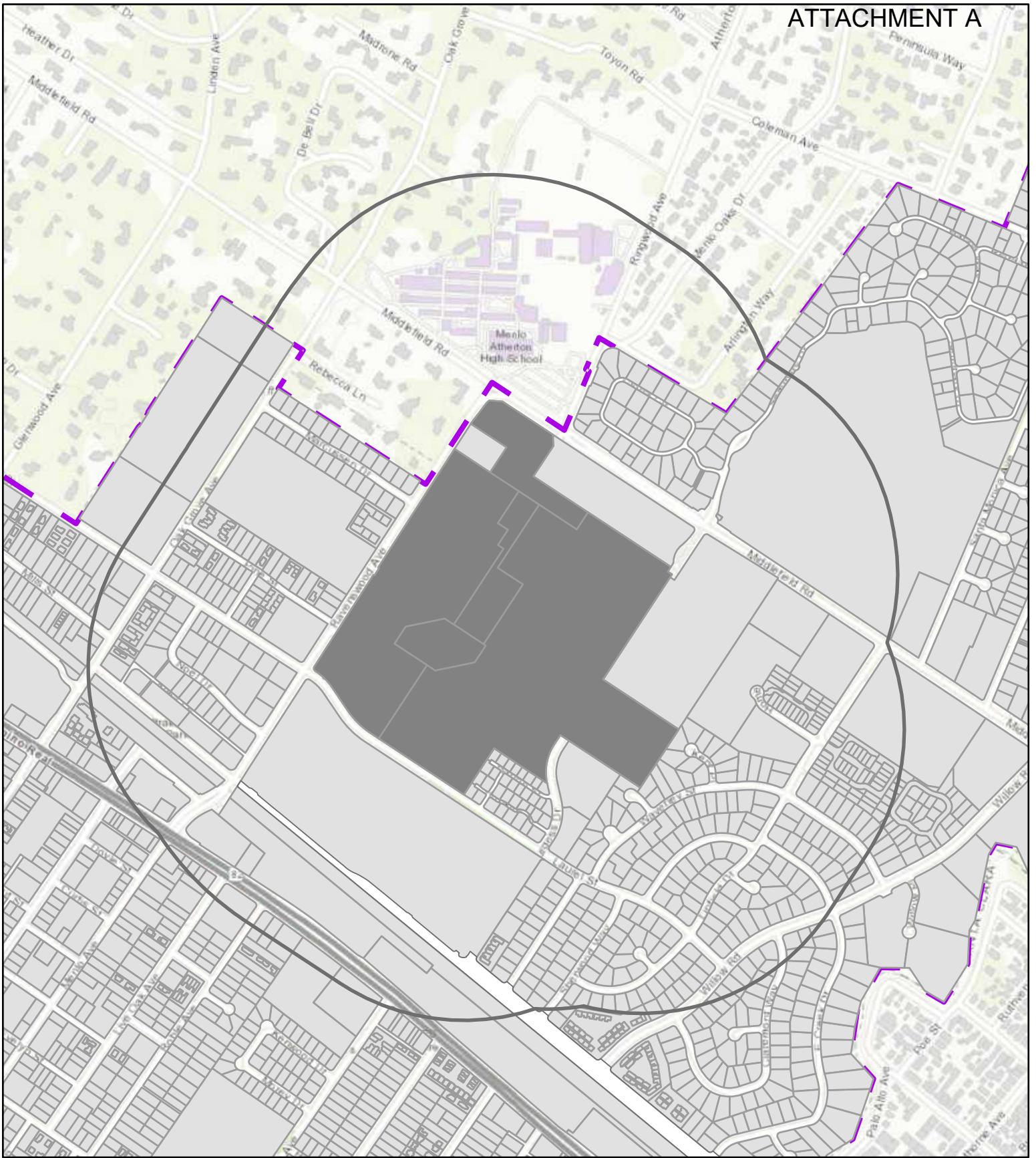
### **Attachments**

- A. Location Map
- B. Masterplan Project Plan: – hyperlink: <https://menlopark.gov/files/sharedassets/public/community-development/documents/projects/under-review/parkline/20221031-parkline-masterplan-plan-set.pdf>
- C. Non-residential Project Plans – hyperlink: <https://menlopark.gov/files/sharedassets/public/community-development/documents/projects/under-review/parkline/20221031-non-residential-architectural-plans.pdf>
- D. Residential Project Plans – hyperlink: <https://menlopark.gov/files/sharedassets/public/community-development/documents/projects/under-review/parkline/20221031-residential-architectural-control-plans.pdf>
- E. Project Description letter – hyperlink: <https://menlopark.gov/files/sharedassets/public/services/community-development/documents/projects/under-review/parkline/20221205-parkline-project-description.pdf>
- F. Notice of Preparation – hyperlink: <https://menlopark.gov/files/sharedassets/public/community-development/documents/projects/under-review/parkline/parkline-notice-of-preparation.pdf>
- G. Existing and Proposed Bike Paths from Transportation Master Plans

- H. Tree disposition Plan – hyperlink: <https://menlopark.gov/files/sharedassets/public/community-development/documents/projects/under-review/parkline/parkline-tree-disposition-plan.pdf>
- I. Excerpt minutes of Planning Commission meeting on March 28, 2022
- J. Correspondence

Report prepared by:  
Corinna Sandmeier, Acting Principal Planner

Report reviewed by:  
Kyle Perata, Planning Manager  
Michael Biddle, Special Counsel



# CITY OF MENLO PARK

## LOCATION MAP

333 RAVENSWOOD AVENUE - PARKLINE



CITY OF  
MENLO PARK  
A1

Scale: 1:9,000

Drawn By: CDS

Checked By: JICM

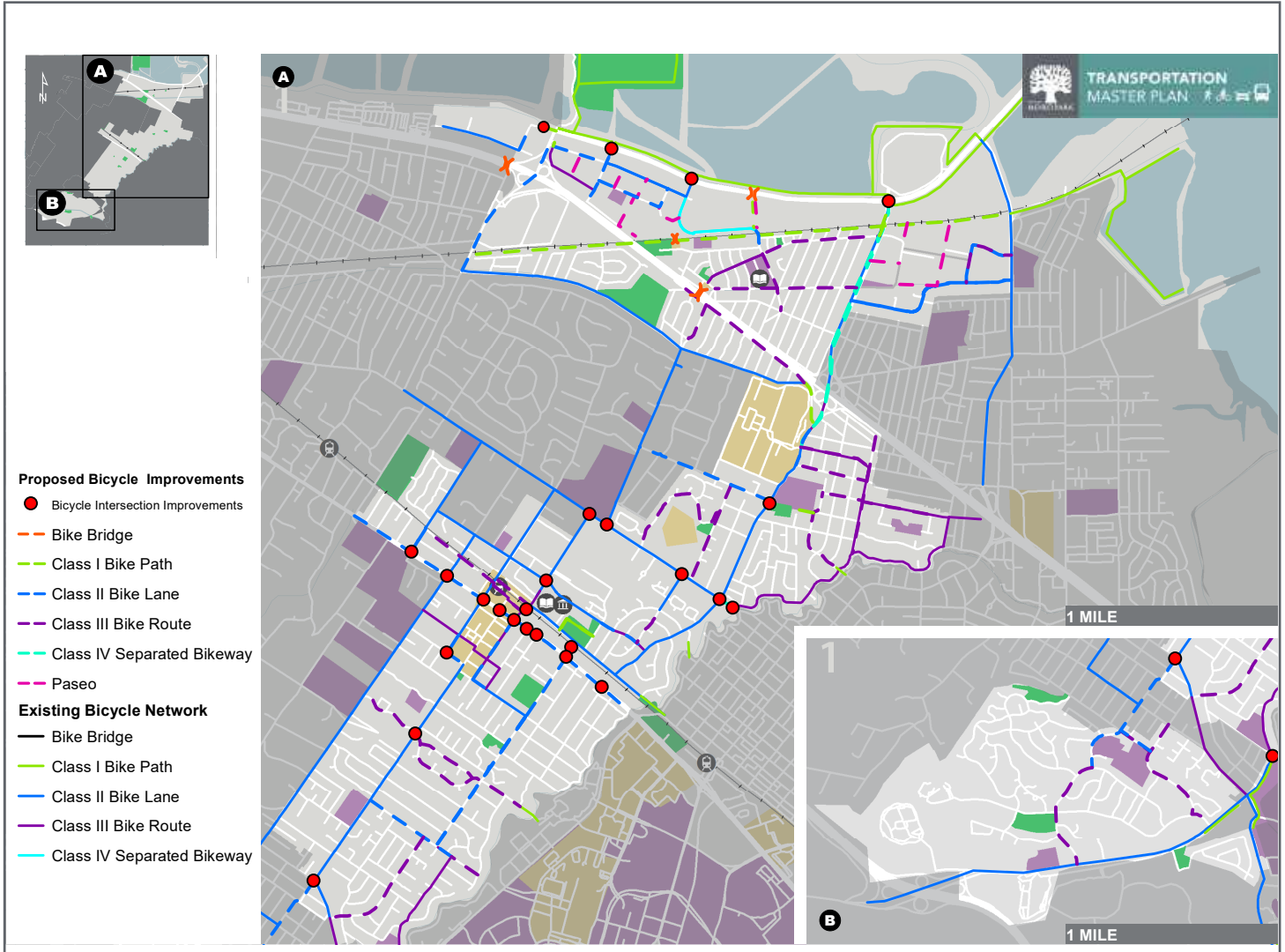
Date: 5/10/2022





# Recommended TMP Projects

## EXISTING BIKE NETWORK AND RECOMMENDATIONS



Recommendations for people biking at various locations throughout Menlo Park will help improve safety and connections to the existing bicycle network.

# Planning Commission



## REGULAR MEETING MINUTES - EXCERPT

**Date:** 03/28/2022

**Time:** 7:00 p.m.

**Meeting Location:** Zoom.us/join – ID# 871 4022 8110

### Regular Meeting

#### A. Call To Order

Chair Michael Doran called the meeting to order at 7:01 p.m. At Chair Doran's request, Associate Planner Matt Pruter explained how applicants and the public would be able to participate in the virtual meeting.

#### B. Roll Call

Present: Andrew Barnes, Chris DeCardy (Vice Chair), Michael Doran (Chair), Camille Gonzalez Kennedy, Cynthia Harris, Henry Riggs, Michele Tate

Staff: Payal Bhagat; Contract Planner; Nira Doherty, City Attorney; Fahteen Khan, Assistant Planner; Eric Phillips, Special Counsel; Matt Pruter; Associate Planner; Corinna Sandmeier, Acting Principal Planner

#### G. Study Session

- G1. Study Session/Nick Menchel/333 Ravenswood Avenue (Parkline):  
Request for a study session on a master plan development to comprehensively redevelop the SRI campus with a residential, office, research and development, and retail mixed-use project. The proposed project includes requests for a general plan amendment, zoning ordinance amendment, rezoning, conditional development permit (CDP), development agreement (DA), architectural control, vesting tentative map, and below market rate (BMR) housing agreement. The project would necessitate the preparation of an environmental impact report (EIR) in compliance with the California Environmental Quality Act (CEQA). (Staff Report #22-018-PC)

Staff Comment: Acting Principal Planner Sandmeier said 23 new emails had been received on the proposed project, and that many were in favor of additional housing and additional BMR housing; and some expressed concerns about the impacts to neighbors and to the church located at 201 Ravenswood Avenue. She said the existing SRI campus was an approximately 63-acre site with 38 buildings and 1.38 million square feet of gross floor area. She said the proposed project had no net increase of nonresidential square footage and that approximately 284,000 square feet would be retained for SRI's use in Buildings P, S and T. She said approximately 1.1 million new square feet of office and research and development uses were proposed in five main structures from three to five stories, a new office amenity building, and three parking structures for nonresidential use. She said the proposal included 400 residential rental units. She said that included 15% Below Market Rate (BMR) units, 19 two-story townhomes with attached two-car garages, 391 apartments in three buildings, three to five stories tall, and approximately one parking space per unit and one-story parking garages with podiums at the second level for private open space for the apartments. She

said the proposal also included a sports field and a one-story community building adjacent to the Ravenswood Avenue and Middlefield Road intersection, 25 acres of landscaped publicly accessible open space, and new pedestrian and bicycle paths and connections through the site.

Ms. Sandmeier highlighted that the proposed circulation was private internal streets, an internal road to the three main residential buildings and parking garages, and an internal loop road to provide access to all nonresidential buildings, parking garages, surface parking areas, loading areas and for emergency vehicle access. She described the entry points for each of the building types. She said the requested entitlements included a General Plan Amendment, Zoning Ordinance Amendment, Rezoning, Development Agreement, Conditional Development Permit, architectural control for the new buildings, and a vesting tentative map to merge existing walks and create new parcels.

Ms. Sandmeier said topics for the Commission's consideration were the proposed land uses including site density and intensity, the site layout including building orientation and site access, conceptual architectural styles, design and layout of open space, parking locations and ratios, and proposed sustainability measures.

Questions of Staff: Commissioner DeCardy asked if this project would be reviewed standardly or whether it would have unique review.

Ms. Sandmeier said it would require a number of public hearings both at the City Council and Planning Commission as the environmental review progressed but it would be similar to what they saw with other projects.

Applicant Presentation: John McIntire, SRI, said that they were collaborating with a local firm Lane Partners to reimagine the site to serve both SRI's and the community's needs.

Mark Murray, Lane Partners, said their firm was Menlo Park based with an office about a half mile from the SRI campus. He said they had met with City staff and the Fire District, with community groups and had one on ones with dozens of residents. He said they held a series of open houses last summer before making their initial submittal in the fall. He said three of those were open to the general public and then they held a fourth specifically for the Burgess Classics neighborhood. He said those 32 homes shared a property line with the SRI site. He said that meeting was focused on the design particularly regarding the buffer zone between those properties and SRI. He said they received constructive feedback and were able to implement changes that responded to that.

Mr. Murray said one of their goals was to open up what currently was kind of a void in the center of town. He said the existing campus was large and for the most part had had security fencing around it. He said they envisioned as the Parkline name implied a new district characterized by open space, noting they planned to have 25 acres of publicly accessible green space. He said the site contained numerous mature heritage trees with some species over 100 years old that many community members had never seen. He said the goal was to preserve many of those heritage trees. He said another goal was to improve pedestrian and bicycle transportation through the area. He said regarding the commercial development component they were doing a one-to-one replacement for the existing 38 buildings. He said SRI would consolidate into three of the existing buildings and the other older 35 ones would be demolished and that same square footage would be consolidated into five new state of the art R&D buildings that were much more efficient and sustainable. He said another goal shared with the community was housing and that was proposed on 10 acres closest to

the downtown and amenities. He said they were proposing 400 units at variable affordability and were open to community feedback on what the appropriate amount and types of housing were.

Thomas Yee, principal architect, Studios Architecture, referred to the site analysis and noted in addition to Mr. Murray's comments that there was an electrical substation near the corner of Ravenswood and Laurel. He said the three buildings, P, S and T that SRI was planning to retain were intended to be included in the master plan effort. He said the existing parking made up about 50% of the entire site area with the building footprint another 23% so 70% of the existing site was hard surface. He said their goal was to convert that into a more amenable resource for the community. He said onsite there were about 1,370 existing trees, a great percentage of which were heritage trees, and that it had been important to incorporate the trees into the plan. He described how in removing the fence the site would be opened up and how it might connect with other parts of the city. He described the pedestrian circulation plan and how the City's bicycle path plan might be extended through the redeveloped campus. He said regarding vehicular circulation they were purposely trying to separate residential from the office R&D and to not have any office R&D traffic go onto Laurel. He described elements of the residential portion of the development that would provide separation and enhanced open space for neighboring residential areas. He said for the residential design they took cues from the Allied Arts neighborhood and the Davis Polk building and were proposing sort of the Mission style. He provided visual imagery of the proposed design starting with Laurel Street and then from the corner of Ravenswood and Laurel toward the east with an alternative pathway that was pedestrian oriented and an alternative bicycle pathway. He showed a view if walking down Ravenswood toward one of the entrances to the office R&D side with entrances clearly defined. He said they would create signals for the public to clearly show that this was a public trail and people were welcome into the site. He showed the proposed commons area of the office R&D site and existing heritage trees and the introduction of both passive and active uses that might be utilized both by tenants and the public. He showed lastly a view to the upper right of the playing field at Ravenswood and Middlefield.

Chair Doran opened for public comment.

Public Comment:

- Sue Connelly said she saw three potential problem areas noting she was a resident of the Burgess Classics community. She said her community's chief concern was the size of the proposed project. She said the elevations shown were only of the lower story and the apartment buildings would be five, five-story buildings and three five-story buildings plus the 20 townhomes. She referred to the office noting those were also five story buildings. She said the project meant the introduction of a great number of people who had not been there before and that would put pressure on the infrastructure and on water. She said safety was another chief concern as having the area fenced for many years had protected her community on one side. She noted they were having problems with the shared gate area with unhoused people. She said they had been trying for three years to resolve this humanely to obtain services and help and had been steadily rejected. She said she and her neighbors proposed that the number and the height of the office buildings be reduced. She said having fewer office buildings meant less of an impact on housing.
- Kalisha Webster, Housing Advocate for Housing Choices, said they were a nonprofit service provider helping people with developmental and other disabilities find and retain affordable housing throughout San Mateo County. She said she was calling in support of the proposed

project but noted the City's draft Housing Element and the development need of around 1700 affordable units, nearly half of which were for very low-income level. She urged the applicants to do more with the project to serve people of all income levels and abilities. She said the site was ideally situated near transit and the downtown that supported a walkable and more sustainable community. She encouraged the city and developer to take advantage of the opportunities at the site to increase heights and densities and to include more affordable homes at all income levels and abilities. She said they supported the request for a one-acre parcel to be donated to an affordable housing developer that could develop more affordable housing at deeper levels of affordability than that under the inclusionary housing ordinance. She said a nonprofit developer was better able to serve the needs of lower income residents for the provision of more onsite support services. She said as of December 2021, 77% of Menlo Park adults with developmental disabilities still lived in the family homes, not by choice, but due to the lack of deeply affordable housing available.

- Kelly Vavor said she was a former public high school teacher and now a community volunteer engaged. She said she felt optimistic about this proposed development and grateful for the thought that had gone into it. She said she was the mother of four children and the public open space and better bicycle and pedestrian routes really resonated with her. She said the project would generate significant new tax revenue that would benefit their elementary and high school districts. She said she supported the project.
- Michal Bortnik, Allied Arts, expressed appreciation for SRI and Lane Partners for bringing a great opportunity and being open to the community's feedback. He said he liked all the open and green space, the trees, the bicycle and walking paths, and the thoughtful layout to work with the surroundings. He said it was great that hundreds of housing units were within easy walking distance of so many things. He said his only request was that more housing be provided. He noted the unfortunate reality of homelessness in the community. He said he made more specific comments in his written letter to the Planning Commission. He said at the last Commission meeting a presentation was made on development in the Bayshore area and how much new development was happening there and how quickly. He said he hoped that a double standard would not be applied here as to what was acceptable versus what was acceptable in other parts of town.
- Anna Zara, Linfield Oaks, said she supported the Parkline project as it was an ideal location due to its proximity to transportation, shopping, entertainment and recreation. She said she also supported higher density apartment buildings as part of the project so that one of those buildings might be made available to people with intellectual, developmental and physical challenges. She said many in this vulnerable population in Menlo Park were forced to relocate away from family, friends and familiar surroundings due to the lack of affordable housing.
- Verle Aebi, Linfield Oaks, said for those who lived on Laurel Street the traffic impact of the proposed project in conjunction with the projects that would be occupied in the near future on El Camino Real, the Stanford project and the other project further north on El Camino Real could put quite a few additional cars on Laurel Street as it was commonly used to cut through. He said when they got to the environmental impact analysis the traffic needed to be analyzed in conjunction with the future grade separation project, which he was sure would happen someday. He said one of those options involved cutting off Alma Street, which would put quite an increase in traffic pressure on Laurel Street. He said he thought it was discussed last summer that there should be no car access from the project even from the residential portion onto Laurel Street and

the access should all be onto Ravenswood Avenue and Middlefield Road as those were much larger streets. He said years ago SRI maintained a “black house” with very toxic gases and chemicals that were used for some of the semiconductor work on campus and if that was the case today that was inconsistent with the density housing proposed.

- Bob MacDonald, Chair, ad hoc Church Committee for the Parkline project for the Menlo Park Christian Science Church on Ravenswood, and a Menlo Park resident said on behalf of his fellow church members attending this evening, that their church had been a neighbor and partner with SRI for over 60 years. He said in the late 1950s their church did a land swap with SRI that led to their current location surrounded by SRI on three sides. He said at that time a perpetual parking agreement was made that provided parking on SRI property for services, meetings and events at their church as well as some mutual traffic flow easements that ensured traffic flow and emergency vehicle access around the perimeter of their property and the ability to exit onto Middlefield Road. He said they had identified a significant issue for their church with the proposed plan, and were requesting that the playing field be moved so it was not adjacent to them to ensure the sanctity and serenity of their religious services, meetings and events. He said they were comfortable with continuing to have parking lots, parking structures, and office buildings adjacent to their property as that would create a buffer similar to what they had enjoyed for over 60 years. He said two of the three existing mutual traffic flow easements, Ravenswood 1 and Ravenswood 2, needed to remain in place to ensure that emergency vehicles were able to get to any location around the periphery of their property. He said they would also like to reach a mutually acceptable agreement regarding the Middlefield Road connection.
- Alex Ho, said he lived near the site. He said it was great that SRI was planning to redevelop the property and help solve the City’s housing shortfall. He said Lane Partners had incorporated much input from the neighbors. He said there were two issues he hoped might be addressed. He noted the egress from Burgess Drive and that it was specified during the presentation as a locked gate but he wondered about assurances that it would remain so in the future. He said the entry would drive additional commute traffic through the Linfield Oaks residential neighborhood and more importantly along Laurel Street, which was the Peninsula Bicycle Corridor and used by numerous children going back and forth to Encinal School. He said it was really important to look at traffic flows along Laurel Street. He asked what could be done to ensure that unhoused people did not start camping along the bicycle path and behind the Burgess Classics adjoining homes. He said currently people were sleeping on the sidewalks back there. He said also there was a history of shopping cars and garbage being left in the neighborhood, and the SRI back fence served as a homeless laundry every weekend. He asked that this be addressed through the project development.
- Emily Simonson, Laurel Street resident, said she supported the proposed project. She noted the thoughtful planning, additional housing, and the addition of better and safer ways to commute by bike and walking. She said as a mother of three young children that was lacking in this area. She said she appreciated the addition of green space as it was a rare opportunity to create more green space while creating more housing.
- Ken Chan said he was an organizer with the nonprofit Housing Leadership Council of San Mateo County. He said they worked with communities and their leaders to produce and preserve quality affordable homes. He expressed appreciation for SRI and their partners for the proposal. He said while the 400 proposed housing units would address the housing and jobs imbalance there was much more that could be done. He said they would like the project proponents to partner with an

affordable housing developer to provide the highest number of affordable homes at the deepest affordability levels that would include services and support for residents such as after school care, computer lab, playgrounds and other amenities.

- Adina Levin, resident, said she served on the Complete Streets Commission but was speaking for herself. She said the proposed development was near amenities and offered paths and green space for people to enjoy and go to and from without really having to use cars for numerous short local needs and potentially near jobs. She said a letter recently sent to the City Council observed that southern California cities were ahead of Menlo Park in developing draft Housing Elements and had had their Housing Elements rejected due to unviable sites and lack of affirmatively furthering fair housing. She said it was pointed out that Menlo Park was at risk of a similar situation. She said she agreed with others to have additional homes particularly deeply affordable homes to accommodate housing needs.
- Karen Grove, Housing Commission, said she was speaking for herself. She said she supported the project noting the bike and walking paths, preservation of the beautiful trees, and the housing. She agreed that the site could be used for more housing and highlighted the comments made by Housing Choices noting the relationship of homelessness to low income. She said she supported the property owner donating land to an affordable housing provider to partner with to provide homes and support services. She said the Housing Element was dependent upon affordable housing. She said she canvassed nearby residents of the project over the weekend and found that many were supportive of more housing, more affordable housing, more extremely low-income homes through the dedication of land and partnership with a nonprofit provider for this proposed project.
- Brittani Baxter, District 3 resident, said she lived within walking distance of the proposed project and loved the idea of opening up the site. She said her neighborhood was walkable and fantastic and she would love for more people to have that opportunity. She said she shared the enthusiasm for the future of this project and what this once in a generation opportunity meant for the city. She said concerns were expressed about traffic and parking and the site was perfectly located wherein a person would not actually need a car to get around. She suggested the site be set up with things in place to encourage people to choose more sustainable, ecofriendly, and congestion-reducing transit. She said using space for homes and people was preferable to using it for car storage. She said given the scale of the site there was a great opportunity to think about everybody in the community and help create that much needed difficult to create affordable housing especially for populations with specific needs. She noted the density of Bayshore projects with 100 units per acre and 40 units here per acre and suggested more could be done.
- Lynne Bramlett, District 3 resident on Mills Court, said she was speaking for herself noting she also led the disaster preparedness organization MPC Ready, which focused on Menlo Park and the unincorporated county islands within or adjacent to Menlo Park. She said their focus was disaster prepared neighborhoods as research showed in a disaster the most immediate source of help was the neighbors living closest. She said there were serious gaps in the local government's disaster preparedness. She said development projects represented opportunities to significantly improve disaster preparedness through the community amenity process. She said she agreed with another speaker's suggestion about the idea of putting underground water cisterns in new development. She said the city had less than one day's worth of stored water for emergency medical drinking and water was also essential for firefighting. She said fires were

secondary consequences of earthquakes and pointed to the Hetch Hetchy water delivery's vulnerability to disruption from an earthquake. She said the local fire district had very little water stored and she thought water storage was much more important than a juice bar or a playing field.

- Rob Willington, Menlo Park resident, said he and his family supported the project. He said the SRI campus land was currently underutilized and it was a great idea to redevelop it into a new neighborhood with open space and new housing.
- Steve Pang, Burgess Classics, said he was opposed to the open space concept of the proposal as it would lead to unhoused people using for encampments. He said over the past three years they had tried to work with SRI to handle the unhoused problem with their back gate and nothing had been done. He said their children used to be able to bike and walk around the neighborhood but it did not feel safe anymore. He said he opposed the bicycle path from Middlefield to Laurel for substantially the same reason. He said he opposed the number and location of housing units proposed as there was potential for a lot of traffic on Laurel Street. He said he had submitted additional comments in a written comment letter.
- Frank Contreras, Menlo Park resident, said he and his family had lived in the area for 40 years and he supported the project proposal. He said he would like his family to be able to stay in the area and affordable housing was needed. He said he agreed about the homelessness and encampments that those needed to be addressed. He said he agreed with housing being provided to special needs population as he thought everybody should have the opportunity to live in Menlo Park as it was such a great area.
- Will Connors, Willows resident, said he strongly supported the project particularly the bicycle and pedestrian access to schools and the downtown. He said his only critique was about the townhomes on Laurel Street as he would like to see more density in that area similar to the other residential units proposed at three to five stories as that was a better use of space near transit.
- Susan Stimson, Linfield Oaks, said she had attended some of the community input sessions and was pleased to see that some of what was recommended by residents had been incorporated. She said she would appreciate consideration of a closed wall for the parking structure to preserve privacy and block headlights at night as well as noise. She said she would like information on how security would be maintained throughout the green space so that the space might be utilized at night. She said that other large mixed-use projects in this area and their impacts on traffic and resources should be determined before adding another large development.
- Kenneth Mah, Burgess Classics, said they generally supported the proposal particularly the bicycle and pedestrian paths. He said they asked that the impact of the development and specifically the housing density be thoroughly considered. He said he and his wife used to bike to Stanford for five years and there was a safety issue at Laurel Street and Ravenswood Avenue as there was no dedicated bike lane. He said this project would worsen that safety issue. He said traffic in general would be increased on Laurel by the project. He said the current proposed designs might decrease the safety of both residents in his neighborhood and the Parkline residents trying to cross Laurel Street to get to Burgess Park. He asked the Commission to mitigate impact to Laurel Street by considering ingress and egress exclusively onto Ravenswood Avenue and Middlefield Road. He said they supported other issues needing attention including



gate access on Burgess Drive, ensuring the intended use of the green space and insuring provision of safety and security of that space.

- Katie Behroozi, Menlo Park, said she served on the Complete Streets Commission, but was speaking for herself. She said this project addressed three big needs. She said one was a direct response to increased density as they needed better connectivity for bikes and pedestrians between Middlefield Road and Laurel Street. She said the project also offered open space noting recent conversations in the city on how to save parks. She said with the housing crisis there were homeless people. She said for several years there had been discussion to have a shelter in the area which was not supported. She said in general this was a great area for denser housing. She supported keeping the proposed openness and ensuring safe crossings at Middlefield Road noting the Vintage Oaks intersection. She said she was a member of the Trinity Church and they had a shared parking agreement with SRI but were also joyfully anticipating the idea of new potential parishioners and members of the community.
- Peter (no last name given) said he met with Mark Murray and Lane Partners and they had listened to the community's opinions. He said he lived in the Classics and loved the quiet nature and the streets. He said his one concern was traffic as although the plan was to replace existing square footage one to one those were primarily currently unoccupied buildings with lower employee density. He said he understood the vision for open space but that had consequences. He said the connectivity to the ingress and egress made sense but did not really address safety issues of the ingress and egress along Burgess. He said there were dedicated bicycle lanes already along Linfield Drive and Ravenswood Avenue so they disagreed with having ingress and egress along Burgess. He said he wanted to make sure that they did not provide programming activities directly behind his and his neighbors' back yards between his community and the parking structure as that would encourage homeless encampments. He referred to comments on safety and unhoused people in the vicinity.
- Gail Gorton, Burgess Classics, said in general she supported the proposed project. She asked that the Commission be sensitive to a huge residential development dropped into a mixed residential area ranging from single family homes to apartment buildings, the tallest of which were only two-story. She said traffic impacts would be huge. She said Laurel Street, Ravenswood Avenue and Middlefield Road were two-lane roads already heavily congested. She said traffic was heavy on Laurel Street with Burgess Park there and she had seen near misses with bicycles from cars exiting the parking lots. She said they had to consider how the schools would absorb additional population and the impacts to natural resources. She said she appreciated the inclusion of a playing field as the fields at Burgess were at maximum usage. She asked how the Parkline playing field would be operated. She said she would prefer to see affordable homes for purchase on the site. She said it was important to provide affordable rental housing too. She said she would like the number of affordable units to remain the same as proposed but for the overall number housing units to be reduced.

Chair Doran closed public comment

Commission Comment: Chair Doran noted the time was 10:24 p.m. and that they would need to stop at 11 p.m. unless they voted to extend beyond that time.

Chair Doran said the first topic staff requested input on was land use. He said overall he thought the project was great and very thoughtful, and the land use was appropriate. He said he liked the

residential uses closest to the train station, the playing field close to Menlo Atherton (MA) because there was not a lot of parkland around MA. He said the application included a request for a zoning ordinance amendment and rezoning so everything was on the table. He said it was a very large site and a great opportunity close to transit. He said he would encourage more housing and was amenable to higher density for housing. He said the proposed site layout seemed respectful to neighbors and he liked the townhouses as a bridge to existing residential neighbors. He said he liked the three stories nearer the front edge of the property and the five stories further behind. He said he would support higher densities especially if they were behind the five stories so height was gradual. He said also he would support more land being used for residential than for office. He said he appreciated the preservation of the heritage trees. He said access seemed well thought out. He said he heard the objections to residential access on Laurel Street but they needed residential development and the applicants had done a good job of keeping at least the commercial access off Laurel Street. He said regarding conceptual architectural styles that he believed it was very appropriate noting it was in early stages but he thought Mission style seemed appropriate. He said the design layout of the open space looked good. He said regarding parking locations and ratios that it was better than what was there now. He said regarding proposed sustainability measures it was still early in the design but he appreciated the LEED gold goal. He said he was generally supportive and would like to see more housing.

Commissioner Kennedy said generally she was supportive of the proposed project. She said she agreed with Chair Doran's comments on increased density and that significantly increasing density would be appropriate for this project. She said they had seen a number of letters contemplating what it would look like to take an acre and partner with an affordable housing developer to provide meaningful affordable housing. She said that might help them to embrace what was starting to happen across both Santa Clara and San Mateo Counties to move toward the attempted zero of homelessness. She said this site was their hope for putting the right amount of housing at the right densities downtown where it belonged.

Commissioner Andrew Barnes asked if the project site was outside of the Downtown / El Camino Real Specific Plan area (Specific Plan) and if so, what community amenities program applied to it. Planner Sandmeier said the site was outside of the Specific Plan and there was no specific community amenities program. She said the applicant was requesting a new general plan designation and new zoning ordinance amendment that the property would be rezoned to. She said as part of those there could be an exchange for some type of community amenity that was negotiated.

Commissioner Barnes said he liked the idea of a sports field but that was not a community amenity in the formal sense. He asked if they were considering have Parks and Recreation program the use of the field. Mr. Murray said they were open to how the field would be programmed. He said in a sense it was a community amenity as that sports field with an adjacent park area and a community building was really a community use rather than an amenity base for their office occupants or residents. He said it was meant for AYSO or other recreational leagues. He said hopefully it could allow for office occupants use as well but they intended it to be truly a community sports field. He said that it was early on and they were open to ideas on management of it.

Commissioner Riggs asked what the approximate occupied density of SRI was currently. Planner Sandmeier said she did not have that information. Mr. Murray said they did not either as occupancy had been significantly disrupted by the pandemic. He said SRI's intent was to consolidate into those three existing buildings totaling about 280,000 square feet but he thought currently employees were

spread out in much more space. Commissioner Riggs said they would have to look at something historic then like a 2019 Google map or something like that. He said his question related to traffic and noted the Meta campus with three office clusters of roughly 500,000 square feet each and the amount of traffic going in and out of those clusters. He said over the 20 years he had regularly traveled down Ringwood and Ravenswood he had never seen even a fraction of that traffic in the SRI parking lots. He asked if that was accurate. Mr. Murray said the last Conditional Use Permit, approved around 2004, showed a headcount cap of about 3,200 people but that had declined significantly due to Covid.

Commissioner Riggs said the public they heard from were supportive of the project because of housing, BMR units and opportunities to create more affordable housing and for special needs populations. He said however the project would have approximately 1.4 million square feet of office space and 400 residential units. He said by comparison Willow Village had over 1700 proposed housing units for roughly the same amount of office use, and that project was providing significantly less housing than the additional workers generated by it. He said the proposed Parkline project was not a housing development project. He said that did not mean he was opposed to it unless it was a housing project – he just thought it should be clear what the project was. He said one letter from the public asked how many workers were expected and how that related to housing / jobs imbalance and traffic. He said five story office buildings here would indicate a higher density. He said there were three parking structures proposed so he expected there was some concept of what kind of density was expected. He said information on that would be expected at the next session.

Commissioner Riggs said regarding the proposed land use, intensity and density, that the most notable thing was this was not a jobs and housing imbalance correcting project. He said the question would be how much it would contribute to the imbalance. He said that this might not be the project that needed to address the imbalance, just that it was something to be noted. He said since the project was predominantly an office space project, he thought it made sense to put the office space as close to the train station as possible. He suggested that office space users might take advantage of transportation much better and more immediately than residents. He said that he did not really have any comments on the site access, design, layout of open space, parking locations or ratios as theoretically those would be rethought to place office closer to transit. He said regarding conceptual architectural styles that they were taking the correct approach, and when that style was done well, it was really exciting.

Commissioner Harris said this was a unique opportunity for the City to transform an aging property with limited use to an open and mixed-use neighborhood. She said with so much community interest there were of course different ideas about what was wanted. She complimented the applicants on the 25 acres of publicly available green space, the retention of heritage trees and locating buildings around them, only the residential entrance on Laurel Street, listening to the community, and the pedestrian / bicycle paths and connectivity. She agreed they could not go wrong with the attractive Mission style architecture and was supportive that the five stories were set back from the three stories, and the 50-foot setback between the site buildings and Burgess Classics. She said her areas of concern included traffic impacts and mitigation. She said regarding a Transportation Demand Management plan (TDM) they had indicated a shuttle to Caltrain and suggested that might be extended to go downtown, maybe circle around to Safeway and then back again. She said she would like the TDM to go even further than that. She said they had had success on other projects with trip caps so she would like to see that. She said she would like Menlo Park to eliminate minimum parking requirements entirely toward significantly reducing the number of people driving and parking on this site as it was close to Caltrain and El Camino Real buses, and close to

downtown amenities. She said the proposed three large parking structures took up too much land that could be used for housing. She asked if they had considered putting the parking underground, which would allow room for additional residences and reduce parking.

Mr. Murray said they considered it and a big drawback was the digging as that increased construction timing by nearly two times, and involved environmental impact and construction noise impact with trucks hauling dirt away. He said while the end result made the parking sort of disappear, it obviously was very costly. He said with this site and being able to provide 25 acres of open space they did not think it was necessary to do underground parking.

Commissioner Harris said the difference between the number of office workers for R&D versus regular office use was a pretty big delta, which might mean a greater parking need. She said when the project came back, she would like information on employee count, to see the parking reduced or ideas of how they might do that. She said to let the Commission know if the city would need to help them with parking reduction. She said they might consider charging for parking both the residents with unbundled parking and also the office workers or give rebates to those who did not drive to work. She said her second suggestion was to increase the number of housing units noting if parking was reduced that they would have more space. She referred to the idea of dedicating an acre to a nonprofit housing group to get more density and housing for people of all abilities and deeply affordable housing, and noted that deeply affordable housing residents were less likely to need cars and that would help the parking. She said as they got closer to a project submittal that she would like to review the recreation site to understand what made the most sense, whether it was really for the community, whether it was truly a recreational field and if so what type.

Chair Doran noted it was 10:59 p.m. and two Commissioners were requesting to speak. He proposed taking a vote on extending the meeting time in a finite amount, and suggested 20 minutes acknowledging that some Commissioners had severe time constraints.

**ACTION:** M/S (Harris/Doran) to extend the meeting to 11:20 p.m.; passes 7-0.

Commissioner Tate said her biggest concern was the project would not provide enough housing. She said she liked the idea of donating not just one but a couple of acres to a nonprofit or low-income housing developer for affordable housing development. She said additionally she was concerned about the field near the existing church, as she thought the church needed quiet for their activities. She suggested the project team as a good neighbor might consider moving the field or to come to a compromise with the church. She said her assumption was there would be some sort of security to ensure the grounds were safe, but she had not heard that addressed in response to community comments.

Mr. Murray said the 25 acres would be privately owned. He said it was something they were trying to create as an amenity and not to burden the neighbors or the city. He said he envisioned that they would privately develop and maintain the space and there would be some kind of public access license or easement to use it as a park during certain hours. He said they were open to ideas. He said in terms of safety late at night and early morning, as this was private property, they would be responsible for securing it. He said they would have every incentive to secure it as the property owner for the benefit of the residents who lived there. He said that was something they were very confident they could manage.

Commissioner Tate asked if they had given consideration to donating some of the land. Mr. Murray said they were speaking with different groups and others about how to generate more affordable housing. He said the idea had been discussed and they were open to it.

Commissioner Barnes said a couple of areas could use more thought. He said as he conceptualized the 25 acres of green space, he saw that was good for the site and for instance the office users and residents. He said the common area in the middle was underutilizing the site. He noted the dearth of playing fields in the area and suggested two fields on the site that were neither a park or a tenant feature amenity. He said he had no use for in lieu fees but a use for an accretive, material and tangible community benefit. He said he supported parceling out some of the property, an acre or so, for a deeply affordable housing project. He referred to traffic impacts from the project notably to the Willow Road, Middlefield Road and Woodland intersection. He said moving forward he would want discussion on what impacts the project would have transportation and transit infrastructure.

Commissioner Tate said for the record that her request was for one or two acres donated to a low-income housing group but that it was not in lieu of the BMR units the project was providing. She said that integrated housing was better than when it was just in one building but she understood the need for the latter, and they had the property size to make it happen.

Commissioner DeCardy said he appreciated community interest in the project. He said what the applicants were trying to do and the direction they were going could work very well and there were challenging things to sort out. He said two things were not working and those needed to work in a fundamentally different way. He said one was affordable housing. He said with 400 units that 15% BMR would be about 60 units of affordable housing. He said that was one unit of affordable housing per acre on this property. He said the simplest thing would be to set a goal for affordable housing and then they could sort out what that required but the goal needed to be significantly higher than 60 units. He said the second was the congestion that would come with attracting so many people to this area and what to do about that. He said a parking garage would not get them out of the congestion problem. He said the project team proposed shuttles. He said he had the opportunity to have a walkthrough with Mr. Murray and that was helpful. He said an electric shuttle that went from the site down to Caltrain was a beginning point. He said working with City Council they could open this up and as Commissioner Harris had commented, take the opportunity to look across the community and finally get connectivity from Bayfront to the downtown that would get people out of cars, work for this development and act as a catalyst to make that work for the rest of the community. He said the city had major developments from the Bayfront, along Willow Road and downtown not to mention what might come out of the Life Sciences District and the USGS site. He said now was the time as a community to address connecting all that with something other than single occupancy vehicles. He said it was not this project's responsibility to own this but it was their responsibility to catalyze it to help make their project work.

Commissioner Riggs said he supported Commissioner DeCardy's call for action for transit from Bayfront, past SRI and to the Caltrain station and that would require the City Council to do something more locally. He said he was surprised the challenging Ravenswood and Ringwood intersection had not been mentioned as here was an opportunity to bring Ravenwood around the church property and align with Ringwood. He said the current intersection was dangerous for the many pedestrians coming from the high school, particularly dangerous for bicyclists going southbound on Middlefield Road and crossing that loop connector. He said it was an annoyance to everyone who had to navigate those double traffic lights and it was time to fix it.

**I. Adjournment**

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

Staff Liaison: Corinna Sandmeier, Acting Principal Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on August 29, 2022

**From:** [David Fencil](#)  
**To:** [Sandmeier, Corinna D](#)  
**Subject:** Parkline  
**Date:** Tuesday, December 6, 2022 2:24:23 PM

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I was looking at the map of the proposed Parkline development...the map was very small but there was green at the corner of Ravenswood and Middlefield...between the church and Middlefield...if that is a park, my experience with the police department would predict a big problem with kids hanging around even during school days and other kids hanging out waiting for the HS kids...  
Dominick (650) 269-6279

Sent from [Mail](#) for Windows