



NOTICE OF PREPARATION OF THE INITIAL STUDY AND ENVIRONMENTAL IMPACT REPORT FOR THE CSBIO PHASE 3 PROJECT

Date: August 27, 2021

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|------------|----------------------------|--------------|----------------------|
| To: | State Clearinghouse | From: | Ori Paz |
| | State Responsible Agencies | | Associate Planner |
| | State Trustee Agencies | | City of Menlo Park |
| | Other Public Agencies | | 701 Laurel Street |
| | Interested Organizations | | Menlo Park, CA 94025 |

Subject: **Notice of Preparation of the Initial Study and Environmental Impact Report for the CSBio Phase 3 Project**

Lead Agency: City of Menlo Park, Planning Division

Project Title: CSBio Phase 3 Project

Project Location: 1075 O'Brien Drive/20 Kelly Court
Bayfront Area, City of Menlo Park

INTRODUCTION

The City of Menlo Park (City) is the lead agency for the CSBio Phase 3 Project (Proposed Project). Pursuant to the California Environmental Quality Act (CEQA), upon deciding to prepare an environmental impact report (EIR), the City, as lead agency, must issue a Notice of Preparation (NOP) to inform trustee and responsible agencies, as well as the public, of the decision to undertake preparation of an EIR. The purpose of this NOP is to describe the Proposed Project and its potential environmental effects to those who may wish to comment about the scope and content of the information to be considered in the EIR. Agencies should comment on such information as it relates to their statutory responsibilities in connection with the Proposed Project. Agencies and the public are invited to provide comments on the scope and content of the environmental review, the potential mitigation strategies, and the Project alternatives by **5:00 p.m. on Monday, September 27, 2021.**

A description of the Proposed Project, including its location, and a discussion of the environmental factors that may be affected by development of the Proposed Project are provided below. The EIR will evaluate Project-specific and cumulative impacts, identify feasible mitigation measures to reduce or avoid significant Project impacts, and identify a reasonable range of alternatives to the Proposed Project and their comparative environmental effects.

SCOPING MEETING

A public scoping session will be held as part of the Planning Commission meeting on **Monday, September 13, 2021, via Zoom at 7:00 p.m.**, or as near as possible thereafter. In response to the ongoing COVID-19 pandemic, the Planning Commission meeting will be held remotely. To access the online meeting, as well as the meeting agenda, please visit www.menlopark.org/371/Planning-Commission. Trustee and responsible agencies, as well as members of the public, are invited to attend the meeting to learn more about the Proposed Project and provide input on the scope and content of the EIR through public comment. The scoping process is designed to enable the City to determine the scope and content of the EIR at an early stage; identify a range of actions; evaluate potentially significant environmental effects, along with the alternatives and mitigation measures to be analyzed in the EIR; and eliminate any unimportant issues.

SUBMITTING COMMENTS

Comments regarding the appropriate scope of analysis and content for the EIR are invited from all interested parties. Please submit comments to the City no later than **5:00 p.m. on Monday, September 27, 2021**. However, we would appreciate your response at the earliest possible date. Please send your written comments to Ori Paz at the address shown below with “CSBio Phase 3 Project EIR” as the subject. Because of the ongoing COVID-19 pandemic, emailed comments are preferred. Public agencies that provide comments are asked to include the name of a contact person for the agency.

**Ori Paz, Associate Planner
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025**

Email: OriPaz@menlopark.org

Phone: 650.330.6711

City Website: menlopark.org

Project Website: <https://www.menlopark.org/csbiophase3>

PROJECT LOCATION AND EXISTING CONDITIONS

The Project site, which is located at 20 Kelly Court and 1075 O'Brien Drive, is north of US 101 in the city of Menlo Park (as shown in Figure 1). The site is bounded by the Hetch Hetchy right-of-way to the north; warehouse and commercial/office buildings, as well as a drainage ditch, to the east; O'Brien Drive to the south; and Kelly Court to the west. Mid-Peninsula High School borders the Hetch Hetchy right-of-way northwest of the site. In addition, Wund3rSCHOOL and Open Mind School, small private schools, are slightly northeast of the Project site on O'Brien Drive. Farther to the east (across University Avenue) and south (across O'Brien Drive) are the residential neighborhoods of East Palo Alto. Some of the single-family residences are as close as 300 feet from the Project site.

The Project site is zoned Life Science-Bonus (LS-B) per the General Plan and M-2 Area Zoning Update (referred to as ConnectMenlo). The Project site includes two buildings at 20 Kelly Court with a common wall and one building at 1075 O'Brien Drive; the buildings are on two parcels (Assessor's Parcel Numbers 055-433-3240 and 055-433-250). The buildings on the 20 Kelly Court parcel comprise a two- and a three-story section that appear as one building and are treated as one building in this document; the building on the 1075 O'Brien Drive parcel is a two-story structure. The buildings range in height from 20 to 45 feet. In total, the Project site has a lot area of approximately 2.27 acres (98,696 square feet [sf]). The three

office/research-and-development (R&D) and commercial buildings have a total area of approximately 52,109 gross square feet (gsf), with a floor area ratio (FAR) of 52.8 percent. The buildings are surrounded by surface parking lots with 126 uncovered stalls. Included in this total are 59 existing surface parking spaces on the Hetch Hetchy right-of-way, which are leased from the San Francisco Public Utilities Commission by CSBio, the Project Sponsor. A minimal amount of decorative landscaping is included at the front entries to the buildings and along the O'Brien Drive frontage. Approximately 100 employees currently work at the Project site.

PROJECT DESCRIPTION

The Project Sponsor is seeking approval of bonus-level development, pursuant to provisions of the City Zoning Ordinance applicable to the Life Sciences (LS) zoning district, in order to permit construction of an approximately 100,000 gsf building for R&D, commercial, and offices uses as well as a five-level parking structure. Under the Proposed Project, the three-story portion of the building (approximately 45 feet in height) at 20 Kelly Court would be retained; the two-story portion of the building at 20 Kelly Court and the two-story building at 1075 O'Brien Drive would be demolished.

The Proposed Project would involve construction of a new seven-story building at 1075 O'Brien Drive with an area of approximately 100,000 gsf and a maximum height of 117 feet. The Proposed Project would have a combined FAR of 1.32, or 132 percent. Across the Project site, the average building height would be 61.4 feet. Furthermore, because the Project Sponsor is proposing bonus-level development, the City Zoning Ordinance requires the Project Sponsor to provide community amenities in exchange for bonus-level development.

The proposed building would accommodate approximately 89,191 gsf of R&D and office uses associated with life sciences and 9,869 gsf of ground-floor commercial/restaurant space. The space for R&D and office uses would be designed to accommodate a single R&D/life science tenant or multiple tenants, including office tenants, in up to 36,956 gsf of the overall 89,191 gsf. This proposed building would connect, via an elevated pedestrian bridge, to a new five-level parking structure at 20 Kelly Court with approximately 289 parking spaces and a maximum height of 60 feet.

Approximately 3,500 sf of new hazardous materials storage bunkers and a utility yard are proposed. These would be attached to the three-story portion of the existing building at 20 Kelly Court that would remain. In total, approximately 20,232 sf of open space would be provided, including 9,908 sf of publicly accessible open space, consisting of outdoor seating areas and landscaping, and 10,324 sf of private open space, consisting of a rooftop garden, landscaping, and circulation areas for use by employees. The exterior of the Project site would feature an entry plaza, landscaped areas, bioretention areas, pedestrian pathways along the street frontages, and two driveways at the end of Kelly Court.

PROJECT APPROVALS

The following City discretionary approvals/actions¹ would be required prior to development at the Project site:

- Amended and Restated Conditional Development Permit
- Below-Market-Rate Housing Agreement
- Environmental Review

¹ Determination of the final list of required discretionary approvals/actions would be based on the final development characteristics and site plans for the Proposed Project, which would be finalized prior to issuance of any permits or agreements.

As part of the Project review process conducted by the City, and not as part of the environmental review, a fiscal impact analysis would be prepared as well as a Housing Needs Assessment (HNA), pursuant to the terms of a settlement agreement with the City of East Palo Alto. In addition, an appraisal would identify the value of the community amenity to be provided in exchange for bonus-level development. Review of the Proposed Project by the City Planning Commission would be conducted as a part of the EIR review and entitlement process. The Planning Commission would provide a recommendation regarding certification of the EIR, as well as action on the Proposed Project, to the City Council. Certification of the EIR, along with final actions regarding Project entitlements, would ultimately be made by the City Council.

RESPONSIBLE AGENCIES

The agencies listed below are expected to review the draft EIR to evaluate the Proposed Project:

- Bay Area Air Quality Management District
- California Department of Transportation
- California Regional Water Quality Control Board, San Francisco Bay Region/San Mateo Countywide Water Pollution Prevention Program
- City/County Association of Governments
- San Mateo County Transportation Authority
- Menlo Park Fire Protection District
- San Mateo County Environmental Health Division
- West Bay Sanitary District
- Native American Heritage Commission
- San Francisco Public Utilities Commission

INTRODUCTION TO EIR

The Project site is within the ConnectMenlo study area. ConnectMenlo, which updated the City 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. Because the City General Plan is a long-range planning document, the ConnectMenlo EIR was prepared as a program EIR, pursuant to CEQA Guidelines Section 15168. If a later activity would have effects that were not examined in the program EIR, Section 15168(c)(1) of the CEQA Guidelines states that a new initial study must be prepared. Section 15168(d) of the CEQA Guidelines provides the information needed for simplifying the preparation of environmental documents and incorporating by reference analyses and discussions as well as mitigation measures.

An initial study has been prepared to evaluate the potential environmental impacts of the Proposed Project and determine what level of additional environmental review is appropriate. In accordance with the requirements outlined in Section 15168(c) of the CEQA Guidelines, the initial study has been prepared to disclose the relevant impacts and mitigation measures covered in the ConnectMenlo EIR and determine whether the Proposed Project is within the parameters of the ConnectMenlo EIR. The initial study is available for review online through the Project website listed above. A hard copy is available for review at the Main Library, 800 Alma Street, Menlo Park. Interested parties should inquire at the library information desk. Please contact Ori Paz at oripaz@menlopark.org if you require additional assistance.

Based on the findings in the initial study, a focused EIR will be prepared for potentially significant impacts that need further discussion and/or mitigation beyond that provided in the ConnectMenlo EIR. The focused EIR for the Proposed Project will be prepared and processed in accordance with CEQA and the CEQA Guidelines. In addition, as a result of the settlement agreement between the City of Menlo Park and the City of East Palo Alto, the focused EIR will include an analysis of the potentially significant impacts of the Proposed Project on transportation. Furthermore, separate and apart from the focused EIR, the settlement agreement requires preparation of an HNA to determine the potential multiplier effect from indirect and induced employment caused by the Proposed Project and its relationship to the regional housing market and displacement. The City anticipates that the HNA for the Proposed Project will be made available when the public draft of the focused EIR is released for review and comment. It must be noted that the HNA prepared for the Proposed Project, pursuant to the settlement agreement, is not required by CEQA. Regardless, the focused EIR will include an analysis of population and housing impacts, consistent with the information provided in the HNA.

PROBABLE ENVIRONMENTAL EFFECTS

Based on the conclusions in the initial study, the following topics will not be analyzed further in the focused EIR: aesthetics, agricultural and forestry resources, energy, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, public services, recreation, and utilities and service systems. The focused EIR will analyze whether the Proposed Project would have a significant environmental impact related to the following areas:

- Air Quality
- Biological Resources
- Cultural and Tribal Resources
- Greenhouse Gas Emissions
- Noise
- Population and Housing²
- Transportation

ALTERNATIVES

Based on the significance conclusions from the focused EIR, alternatives to the Proposed Project will be analyzed to reduce identified impacts. Section 15126.6(e) of the CEQA Guidelines requires evaluation of a no-project alternative. Other alternatives may be considered during preparation of the focused EIR. These will comply with the CEQA Guidelines, which call for a “range of reasonable alternatives to the project, or to the location of the project, that 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 focused EIR will discuss the process by which alternatives are identified. This includes consideration of any feasible alternatives suggested during the scoping process.

² No significant impacts related to population and housing are anticipated, but this topic will be included in the EIR, consistent with the 2017 *City of East Palo Alto v. City of Menlo Park* settlement agreement.

EIR PROCESS

Following the close of the NOP comment period, a draft focused EIR will be prepared that considers all NOP comments. In accordance with CEQA Guidelines Section 15105(a), the draft focused EIR will be released for public review and comment over a required 45-day review period. Following the close of the 45-day public review period, the City will prepare a final EIR, which will include responses to all substantive comments received on the draft focused EIR. The draft focused EIR, all public comments and recommendations, a list of all persons and organizations commenting on the draft focused EIR, all responses to comments prepared by the City, and any other information added by the City will compose the final EIR; thereafter, the final EIR will be considered by the Planning Commission and City Council when making the decision whether to certify the final EIR and approve or deny the Proposed Project.

Ori Paz, Associate Planner
City of Menlo Park

August 27, 2021
Date



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