



MEMORANDUM

DATE: March 26, 2008

TO: Justin Murphy and Megan Fisher, City of Menlo Park

FROM: Adam Weinstein and David Clore, LSA Associates, Inc.

SUBJECT: Environmental Review of Changes to Derry Mixed-Use Development

This memorandum includes an evaluation of changes to the Derry Mixed-Use Development (project) in Menlo Park, California that have been proposed since the Final Environmental Impact Report (EIR) for the project was certified in 2006. The key purpose of this review is to determine whether the environmental effects of changes to the project that are being proposed are adequately analyzed in the Final EIR prepared for the project – particularly, whether the changes would result in new (or more severe) significant impacts.

As detailed below, the proposed changes to the project would not result in new environmental impacts beyond those identified in the Final EIR. Therefore, we believe that the City does not need to prepare a Subsequent or Supplemental EIR to satisfy the environmental review requirements of CEQA. This memorandum comprises adequate environmental documentation of the changes to the project and should be considered an Addendum to the certified EIR, pursuant to Section 15164 of the *California Environmental Quality Act (CEQA) Guidelines*.

The following discussion summarizes: 1) the environmental review history of the proposed project; 2) currently proposed changes to the project; 3) differences between the currently proposed (2008) project and the project analyzed in the 2006 Final EIR; 4) the less-than-significant environmental effects of changes to the project; and 5) reasons for our conclusion that changes to the proposed project do not meet the conditions described in *CEQA Guidelines* Section 15162 calling for preparation of a Subsequent or Supplemental EIR.

Environmental Review History

The Draft EIR, which was published in March 2006 and released for public and agency review, analyzed a mixed-use project containing 135 residential units; 17,000 square feet of commercial space (including retail and office uses); outdoor space; and 289 on-site parking spaces. The analysis in the Draft EIR indicated that the project would result in significant impacts in the following topical areas: Hydrology and Water Quality; Geology, Soils and Seismicity; Transportation and Circulation; Noise; Air Quality; Hazards; Public Services and Utilities; Cultural and Paleontological Resources; and Aesthetic Resources. Impacts associated with congestion on local streets and exposure of employees and residents to hazardous levels of train emissions would be significant and unavoidable. All other impacts would be less than significant after implementation of recommended mitigation measures.

After publication of the Draft EIR and prior to certification of the Final EIR, the project applicant proposed several changes to the project. These changes would have maintained the same number of residential units (135) and outdoor space, but would have increased commercial space from 17,000

square feet to approximately 22,525 square feet. Approximately 17,025 square feet of the commercial space would be occupied by commercial shopping center (retail) uses; 1,500 square feet would be occupied by non-medical office uses; and 4,000 square feet would be occupied by medical-dental uses. The project also included 307 on-site parking spaces. The evaluation in the Final EIR indicated that these proposed changes to the project “would not result in any new significant environmental impacts beyond those identified in the Draft EIR.” The Final EIR was certified in August 2006. Thus the approved Derry Mixed-Use Development contained 135 residential units, 22,525 square feet of commercial space, and 307 on-site parking spaces.

Currently Proposed Changes to the Project

Since certification of the Final EIR, the Derry Mixed-Use Development has undergone additional modification. The currently proposed project would reduce the residential component to 108 dwelling units, increase ground floor retail uses to 12,650 square feet (with up to 7,800 square feet for restaurant uses), eliminate the non-office uses on the second and third floors, increase the non-medical office uses to 12,275 square feet, and eliminate the medical-dental office space (for a total of 24,925 square feet of commercial uses). Table 1 compares the project analyzed in the 2006 Final EIR to the currently proposed project.

Table 1: Comparison of the 2006 Project to the Currently Proposed (2008) Project

Project Features	2006 Project	2008 Project
<u>Residential</u>		
Number of Residential Units	135	108
Number of BMR units	21	16
Unit Mix	39 percent (53) one-bedroom units 61 percent (82) two-bedroom units	27 percent (29) one-bedroom units 54 percent (58) two-bedroom units 19 percent (21) three-bedroom units
<u>Commercial</u>		
Non-Medical-Office	1,500 sq. ft.	12,275 sq. ft.
Medical-Office	4,000 sq. ft.	--
Shopping Center (retail, personal service, bank, etc.)	17,025 sq. ft.	--
Retail/Restaurant	--	12,650 sq. ft.
TOTAL COMMERCIAL	22,525 sq. ft.	24,925 sq. ft.
<u>Parking</u>		
Total Number of On-Site Spaces	307 spaces	301 spaces
Max. Building Height	48 feet	40 feet
Maximum Number of Stories	4 stories	3 stories

Source: O'Brien at Derry Lane, LLP and City of Menlo Park, 2008.

Four different restaurant variants are currently proposed as part of the project (see Table 2). Two of the variants include a mix of “quality” restaurant uses and “high-turnover” restaurant uses. “Quality” restaurant uses are defined by the Institute of Transportation Engineers (ITE) as restaurants that are “high quality, full-service eating establishments with turnover rates usually of at least one hour or longer.” “Quality” restaurants do not serve breakfast (but sometimes serve lunch and always dinner),

usually require reservations, and are generally not part of a chain. Menlo Park examples of “quality” restaurants include Vida on Santa Cruz Avenue and Flea Street Café on Alameda de las Pulgas. “High-turnover” restaurants are defined by ITE as “sit-down, full-service eating establishments with turnover rates of approximately one hour or less.” These restaurants typically serve lunch and dinner, and may also be open for breakfast. They typically do not take reservations, frequently belong to a restaurant chain, and are usually moderately priced. Local examples include Stack’s and Chili’s Bar and Grill. The other two variants include a mixture of “quality” restaurant uses and “fast-food” uses. “Fast-food” restaurants are defined by ITE as being “characterized by a large carryout clientele; long hours of service. . . and high turnover rates for eat-in customers. These limited-service eating establishments do not provide table service. Patrons generally order at a cash register and pay before they eat.” Local examples include Peet’s and TOGO’s.

Table 2: Comparison of Restaurant Variants

Restaurant Uses	Variant 1	Variant 2	Variant 3	Variant 4
<i>Quality Restaurant</i>	900 sq. ft.	5,400 sq. ft.	7,150 sq. ft.	6,600 sq. ft.
<i>High-Turnover Restaurant</i>	6,900 sq. ft.	2,400 sq. ft.	--	--
<i>Fast Food (Without Drive-Through)</i>	--	--	650 sq. ft.	1,200 sq. ft.
<i>Total Restaurant Uses</i>	7,800 sq. ft.	7,800 sq. ft.	7,800 sq. ft.	7,800 sq. ft.
<i>Open During AM Peak Hour?</i>	No	Yes	Yes	Yes
<i>Transit-Oriented Trip Reduction?</i>	No	Yes; 10% for “high turnover” trips	Yes; 10% for “fast food” trips	Yes; 15% for “fast food” and residential trips

Source: Hexagon Transportation Consultants, Inc., 2008.

The trip generation numbers for Variant 2 and Variant 3 assumed a 10 percent reduction for “fast food” or “high turnover” trips due to the project’s transit-oriented characteristics; the trip generation numbers for Variant 4 assumed a 15 percent reduction for “fast food” and residential trips due to the project’s transit-oriented characteristics. A trip reduction for transit-oriented uses was not assumed for the 2006 project.

As part of the currently proposed project, five heritage trees would be removed from the site (including two redwood trees, one Canary Island date palm, and two trees of heaven), and one heritage tree (a Canary Island date palm) would be relocated. Six other non-heritage trees would be removed from the site (including four London plane trees, one evergreen pear, and one crape myrtle).

As part of off-site work associated with the extension of Derry Lane/Garwood Way, three heritage trees would be removed (one Valley oak and two coast live oaks), two heritage trees would be relocated (two Canary Island date palms), and two non-heritage trees would be removed (one coast live oak and one sycamore).

Differences Between the Current Project and the Project Analyzed in the Final EIR

Compared to the 2006 project analyzed in the Final EIR, the currently proposed project would contain 27 fewer residential units, 2,400 square feet of additional commercial space, and six fewer parking spaces. Proposed uses would be accommodated in 40-foot buildings instead of 48-foot buildings. Similar to the 2006 project, all commercial space would be located adjacent to Oak Grove Avenue. Parking below residential and commercial buildings would consist of two levels and would extend to 17.5 feet below the surface, similar to the 2006 project. As part of the currently proposed project, parking on Derry Lane/Garwood Way would be configured as parallel spaces.

Environmental Effects of Changes to the Project

The following discussion summarizes the environmental impacts that could occur as a result of changes to the proposed project that have occurred since certification of the Final EIR in 2006. This discussion is organized by the environmental topics that were addressed in detail in the Final EIR. All the environmental impacts that would result from implementation of the changes to the proposed project would be less than significant. Compared to the 2006 project, the adverse impacts associated with the currently proposed project would be slightly less substantial.

Land Use and Planning Policy. The currently proposed project would result in the development of slightly less intense land uses on the project site compared to the 2006 project. Although total commercial space would increase from 22,525 square feet to 24,925 square feet, the total number of residential units would be reduced from 135 to 108, and building height would be reduced from a maximum of four stories (48 feet) to three stories (40 feet). As discussed in the Final EIR, the project site is an appropriate place for dense residential and commercial uses because it is in close proximity to the Menlo Park Caltrain station and the City's downtown. The currently proposed project would not compromise the transit-oriented/mixed-use qualities of the project, even though the concentration of residential uses on the site would be reduced. The incorporation of restaurant uses into the project would contribute to the vitality of the neighborhood surrounding the Menlo Park Caltrain station and would not result in significant adverse land use impacts.

Like the 2006 project, the currently proposed project would be compatible with existing and reasonably foreseeable land uses around the site (including the 1300 El Camino Real Project to the northeast) and would be consistent with land use-related policies in the General Plan, which encourage the development of mixed residential and commercial uses within the project site. The currently proposed project would be consistent with the proposed changes to the General Plan designation (El Camino Real – Professional/Retail Commercial) and the PD (Planned Development) zoning district.

Population and Housing. The 108 residential units that would be constructed as part of the currently proposed project would result in direct population growth of 266 new residents on the project site, compared to approximately 333 new residents that would be generated by the 2006 project (population numbers in this Addendum are based on an average household size in Menlo Park in 2007 of 2.47 persons per household). The expected change in population on the site is consistent with the growth projections for Menlo Park developed by the Association of Bay Area Governments. In addition, the currently proposed project would result in the development of 16 below market rate (BMR) units (compared to 21 BMR units that would be developed as part of the 2006 project). Menlo Park is a city that is expected to continue to maintain a jobs/housing imbalance, with a high rate of in-commuting and a shortage of affordable housing. Therefore, the housing opportunities (in terms of increasing the City's supply of market rate and affordable housing) associated with the currently proposed project would not be as substantial as those associated with the 2006 project. However, this would not be considered a significant environmental impact.

The currently proposed project would increase total commercial space on the site by approximately 2,400 square feet. Based on an average employee generation rate of 350 square feet per employee (including retail, office, and medical uses), the currently proposed project would generate approximately 71 gross employees. The 2006 project would generate approximately 64 gross employees. According to the 2007 ABAG Projections, Menlo Park is expected to gain 1,670 jobs

between 2005 and 2010. In this context, the increase in local employment generated by the currently proposed project would not be considered significant, even if the City's jobs/housing imbalance is modestly worsened as a result. Therefore, the changes to the project would not result in new significant population and housing impacts.

Hydrology and Water Quality. An increase in the severity or extent of hydrology and water quality impacts would typically be associated with increased coverage of impervious surfaces (resulting in increased storm water runoff and downstream flooding) or increased depth of excavation (resulting in increased contact with contaminated groundwater and the need for dewatering and groundwater disposal). The development footprint of the currently proposed project would be essentially the same as that of the 2006 project, resulting in similar coverage of impervious surfaces (and rates of storm water runoff). Passive storm water management features that would be incorporated into the currently proposed project include swales adjacent to Derry Lane/Garwood Way and pervious paving in the interior of the site (if feasible). These features would assist in reducing runoff from the project site and in improving surface water quality. The currently proposed project would not increase the depth of excavation on the site. A geotechnical investigation of the site conducted in 2003 by Lowney Associates stated that groundwater occurs at depths ranging from 35 to 41 feet below the ground surface. Therefore, the excavation that would occur as part of the currently proposed project would not result in increased contact with groundwater. Therefore, potential changes to the project would result in no new significant water quality or flooding impacts.

Geology, Soils, and Seismicity. The geology-related impacts of the currently proposed project would be similar to those of the 2006 project. The changes to the project would reduce building height by 8 feet and would not require additional excavation. As noted in the Final EIR, the project site is subject to shrink-swell soils, settlement, and seismic hazards (similar to sites in other parts of the Bay Area). These effects, which would not be substantially exacerbated by changes to the project, would be fully mitigated through the preparation of a site-specific geotechnical investigation, and the incorporation of recommendations from the investigation into the project. Similar to the 2006 project, the currently proposed project is not expected to result in contact with groundwater (because groundwater occurs at depths starting at 35 feet below the surface on the site). In addition, the currently proposed project would not require engineering solutions not contemplated in the Final EIR. Therefore, the revised project would not result in any new or more severe impacts related to geology not already identified in the Final EIR.

Transportation, Circulation, and Parking. As shown in Table 2, the currently proposed project would include four variants, each containing a different composition of restaurant uses (with varying operational characteristics). A trip generation analysis was prepared by Hexagon Transportation Consultants, Inc. for each of the project variants. This analysis is included as an attachment to this Addendum. As discussed in the Hexagon analysis, the 2006 project would result in a total of 561 net daily trips (i.e., taking into account traffic generated by existing uses on the site), including 46 trips during the AM peak hour and 37 trips during the PM peak hour. Each of the four project variants would generate the same or fewer daily, AM peak, and PM peak vehicle trips compared to the 2006 project. Under the currently proposed variants, total net daily trips would range from 375 to 461 trips. AM peak trips would range from 33 trips to 46 trips; PM peak trips would range from 19 trips to 37 trips. Therefore, the traffic impacts of the currently proposed project would not exceed those identified in the Final EIR for the 2006 project. Under PD zoning, distinct parking requirements may be approved by the City based on the anticipated demand of specific permitted and conditional uses listed in the PD zoning ordinance. The on-site parking that would be provided as part of the currently proposed project would meet expected demand generated by on-site uses. Therefore, parking

associated with the project would not result in a parking shortage such that secondary environmental impacts would result.

Air Quality. The currently proposed project and the 2006 project would result in air quality impacts associated with 1) excavation for features like foundations and the partially and fully sub-grade parking garage, requiring soil disturbance and the operation of construction vehicles over an extended period of time; 2) an increase in vehicle trips, resulting in increased vehicle emissions; and 3) exposure of individuals to toxic air contaminants. Air quality impacts associated with generation of dust, exhaust, and organic emissions during the construction period, and exacerbation of the air basin's non-attainment status for particulate matter and ozone would be considered significant but could be reduced to a less-than-significant level with implementation of the mitigation measures identified in the Final EIR. The currently proposed project would not require additional excavation compared to the 2006 project. Adherence to standard Bay Area Air Quality Management District (BAAQMD) measures outlined in Mitigation Measure AIR-1 in the Final EIR would ensure that impacts to air quality associated with excavation would not be significant. The project variants that are currently proposed would not generate more daily total or peak hour trips than the 2006 project. Therefore, the currently proposed project would not result in an increase in vehicle emissions, and would not worsen regional air quality compared to the 2006 project.

The currently proposed project is also expected to expose persons to hazardous levels of train emissions, which is considered a significant unavoidable impact. The currently proposed project would expose seven more employees to train emissions, but would expose 67 fewer site residents to these emissions. Therefore, the total number of persons exposed to hazardous train emissions would be reduced as part of the currently proposed project. Nevertheless, the impact would remain significant and unavoidable, similar to the impact that would result from the 2006 project (for which the City Council made findings that there are overriding considerations that make the health risk acceptable). In addition, the Caltrain line is expected to be electrified in the next 20 years, which would almost completely eliminate the impact to sensitive uses.

Since certification of the Final EIR, the City has conducted a greenhouse gas emissions analysis (revised in February 2008). The analysis found that most of the greenhouse gas emissions generated in Menlo Park are due to transportation and commercial uses. Implementation of the proposed project would result in a local increase in greenhouse gas emissions (emissions would be associated with construction and operation of the project). However, on a regional level, the project represents part of a strategy to reduce greenhouse gas emissions by building dense developments near transit stations. The currently proposed project, by nature of its location near the Menlo Park Caltrain station, has the potential to reduce per capita greenhouse gas emissions (because site occupants would be able to substitute alternative transportation for some trips that would otherwise be taken in private vehicles). Therefore, the project is expected to be consistent with future strategies by Menlo Park to reduce greenhouse gas emissions on a regional level.

Noise. None of the noise-related impacts identified in the Final EIR would increase as a result of revisions to the project. The changes to the project would also not result in new noise impacts. The currently proposed project would not increase excavation or overall project construction activities. Therefore, noise generated by the construction period of the currently proposed project would not increase substantially beyond that expected to be generated by the 2006 project. The currently proposed project would not increase trips on local and regional roadways around the project site compared to the 2006 project. Therefore, it would not increase roadway noise levels.

The project site would be exposed to high levels of noise and vibration due to local traffic and rail operations. Compared to the 2006 project, seven additional employees and 67 fewer residents would be exposed to these high noise levels. The mitigation measures identified in the Draft EIR would reduce these impacts to a less-than-significant level. The currently proposed project would include a concrete sound wall adjacent to Derry Lane/Garwood Way that would step down from 8 feet to 5 feet to 3 feet. This sound wall would reduce noise levels in and around residential and commercial uses on the project site. However, per Mitigation Measure NOISE-2 in the Final EIR, the project sponsor would be required to undertake a detailed acoustical analysis of the site that includes recommendations to ensure that exterior and interior noise levels on the project site are reduced to at least Conditionally Acceptable levels. These recommendations would be incorporated into the currently proposed project and, in combination with the sound wall, would reduce noise levels to Conditionally Acceptable levels (at a minimum).

Concern has been expressed that train noise bouncing off the sound wall would expose residential uses on the northeast side of the railroad tracks to high noise levels. The sound wall would not substantially increase noise levels, due to reflection of sound, in areas around the project site. The proposed concrete wall would be located approximately 125 feet away from residential uses to the northeast of the project site. These uses are already exposed to high levels of noise from the existing Caltrain train tracks. A small fraction of noise generated by trains would be reflected by the sound wall (and other structures proposed in the project site) back to the railroad tracks. An even smaller fraction of this noise would be reflected over the railroad tracks, toward the existing residential uses to the east of the site. Based on the characteristics of sound, and the location of existing residential uses in relation to the proposed sound wall and railroad tracks, we estimate that the reflected portion of the train noise extending over the railroad tracks would represent 1 A-weighted decibel (dBA) or less of noise change. This change in noise is not audible to the human ear (generally, changes of 3 dBA or less are audible to the human ear), and would not be considered a significant impact.

Hazards. The key hazards associated with project construction and operation are: 1) exposure to contaminated groundwater and soil; 2) release of hazardous materials, including fuel and toxic debris, during the construction period; and 3) release of lead and asbestos during the demolition period. The currently proposed project would not require additional excavation. Therefore, it would not increase exposure to contaminated soil and soil vapor, and would not result in new significant impacts beyond those identified in the Final EIR (or increase the severity of already-identified impacts). New restaurant uses that are proposed for the site would not increase the operational hazards of the project.

Public Services and Utilities. The currently proposed project would reduce the number of occupants on the site and would marginally reduce overall demand for public services and utilities, compared to the proposed project. Demand for school capacity would be expected to fall in proportion to the reduction of residential units on the site. Demand for police and fire service would likely remain static or be slightly reduced (since the reduction in residential population would be coupled with an increase in commercial space, including new restaurant uses). Demand for water and energy would likely be reduced as well compared to the 2006 project. Significant impacts to public services and utilities occur when a project increases demand for services and utilities, and there is inadequate capacity to serve this demand, resulting in physical deterioration and the need to build new facilities (the construction of which would itself result in environmental impacts). The currently proposed project and the proposed 1300 El Camino Real project would be served by a new 8-inch water supply line (potentially up-sized to 10 or 12 inches) along Garwood Way. The 8-inch line along Garwood Way would connect to a 12-inch line along Glenwood Avenue and an 8-inch line along Oak Grove Avenue. These infrastructure changes would not result in new significant impacts other than those

identified in the Final EIR. No other new service or utility facilities would be required to serve the currently proposed project. Therefore, the currently proposed project would not result in new significant environmental impacts beyond the less-than-significant impacts identified in the Final EIR.

Cultural and Paleontological Resources. Key cultural and paleontological resources issues on the site are heritage trees, and potential archaeological resources (including Native American remains) and fossils. The revisions to the project would not increase excavation on the site, or the potential to encounter previously unidentified archaeological resources or fossils. Implementation of mitigation measures in the Final EIR (which establish a protocol for treatment of archaeological resources and fossils encountered during the construction period) would ensure that the currently proposed project would not result in significant impacts to cultural resources. The eight heritage trees that would be removed from the site and adjacent areas as part of the currently proposed project and the extension of Derry Lane/Garwood Way would be replaced in accordance with the City's Heritage Tree Ordinance, and the impact would be considered less than significant.

Aesthetic Resources. The revisions to the project would reduce the maximum height of the proposed buildings on the site from 48 feet to 40 feet (from a maximum of four stories to a maximum of three stories). Therefore, the currently proposed project would appear less massive and would result in less shadow coverage over surrounding areas. Similar to the 2006 project, the currently proposed project would not block scenic vistas (no officially-designated scenic vistas are located in the vicinity of the project site). As noted above under the discussion of cultural and paleontological resources, all five heritage trees proposed for removal from the project site and all three heritage trees proposed for removal from the Derry Lane/Garwood Way right-of-way would be replaced in accordance with the City's Heritage Tree Ordinance. Therefore, the loss of trees would not result in significant long-term impacts to aesthetic character. Similar to the 2006 project, the currently proposed project would feature Mission-style design motifs, including stucco siding and tile roofs. These architectural features would be compatible with the design of surrounding buildings and the overall aesthetic character of the areas. Overall, the currently proposed project would not result in new or more significant impacts to aesthetic resources compared to the 2006 project.

Comparison to the Conditions Listed in *CEQA Guidelines* Section 15162

CEQA Guidelines Section 15164 states: "The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred." Section 15162 specifies that no subsequent EIR shall be prepared for the project unless:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declarations;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

The following discussion summarizes the reasons why a Subsequent or Supplemental EIR, pursuant to *CEQA Guidelines* Section 15162, is not required to evaluate the environmental effects of changes to the project.

Substantial Changes to the Project. The currently proposed project would reduce the residential component to 108 dwelling units, increase ground floor retail uses to 12,650 square feet (with up to 7,800 square feet for restaurant uses), eliminate the non-office uses on the second and third floors, increase the non-medical office uses to 12,275 square feet, and eliminate the medical-dental office space (for a total of 24,925 square feet of commercial uses). As discussed above, these changes would not result in significant impacts other than those identified in the Final EIR, would not increase the severity of impacts already identified in the Final EIR, and would not require the implementation of new or significantly changed mitigation measures. Therefore, the proposed changes to the project are considered *minor* refinements, not *substantial* changes.

Project Circumstances. Since certification of the Final EIR, conditions in and around Downtown Menlo Park and the project site have not changed such that implementation of the project (including the proposed changes) would result in new significant environmental effects or a substantial increase in the severity of environmental effects already identified in the Final EIR. No substantial changes in noise levels, air quality, traffic, or other conditions have occurred within and around the project site since certification of the Final EIR. Toxic contamination within the site has not been determined to be more severe than anticipated in the Final EIR. Therefore, the physical conditions of the project site in the future are not expected to result in substantial adverse physical environmental impacts not addressed in the Final EIR and Addendum.

New Information. No new information of substantial importance has been identified in regard to the proposed project or to the project site such that the project (including proposed changes) would be expected to result in: 1) significant environmental effects not identified in the Final EIR; or 2) more severe environmental effects than shown in the Final EIR that would require mitigation measures which were previously determined not to be feasible, or mitigation measures which are considerably different from those recommended in the Final EIR. Substantial new information would include new data on soil or groundwater contamination, traffic conditions in Downtown Menlo Park, and local air quality such that the environmental impacts identified in the Final EIR would be made substantially

more severe. No such new information has been identified since publication and certification of the Final EIR. As described previously, changes to the proposed project would not result in significant environmental effects (including effects that would be substantially more severe than impacts identified in the Final EIR). Existing regulations and mitigation measures included in the Final EIR would be adequate to reduce the impacts resulting from implementation of changes to the proposed project to less-than-significant levels.

Conclusion

Current changes to the project represent an overall reduction in development intensity on the project site from the project analyzed in the Final EIR. The evaluation of project changes in this memorandum provides an adequate level of environmental review for the currently proposed changes. As noted above, these changes would not result in new or more significant impacts (or require new or significantly altered mitigation measures) beyond those already identified in the Final EIR. This letter comprises adequate environmental review of the currently proposed project changes; no Subsequent or Supplemental EIR is required.



March 14, 2008

Ms. Megan Fisher
 City of Menlo Park
 701 Laurel Street
 Menlo Park, California 94025

Subject: Trip Generation Analyses for the Proposed Derry Lane Mixed-Use Development Traffic Impact Analysis

Dear Ms. Fisher:

Hexagon Transportation Consultants, Inc. has completed a trip generation analysis of various amended project options for the Derry Lane mixed-use development. The purpose of the analysis is to compare the trips generated by the amended project options to the trip generation documented in the project's Final Environmental Impact Report (FEIR).

The previously proposed project described in the FEIR would have consisted of 135 attached residential dwelling units, 17,025 square feet (s.f.) of commercial retail space, 1,500 s.f. of general office space and 4,000 s.f. of medical/dental office space. The trip generation estimates contained in the FEIR are presented in Table 1.

Table 1: Project Trip Generation Estimates in FEIR

Use	Size	Daily		AM Peak Hour			PM Peak Hour				
		Rate	Trips	Rate	In	Out	Total	Rate	In	Out	Total
FEIR Project											
Attached Residential /a/	135 d.u.	5.86	791	0.44	10	49	59	0.52	47	23	70
Commercial Retail /b/ Pass-By Trip Reduction	17,025 s.f.	42.94	731	1.03	11	7	18	3.75	31	33	64
Office /c/	1,500 s.f.	11.01	17	1.55	2	0	2	1.49	0	2	2
Medical-Dental Office /d/	4,000 s.f.	36.13	145	2.48	8	2	10	3.72	4	11	15
			1591		31	58	89		74	61	135
Existing Uses											
Commercial (Observed) Pass-By Trip Reduction	-21,290 s.f.	55.378	-1,179	2.02	-24	-19	-43	6.15	-62	-69	-131
			149		--	--	--		16	17	33
			-1031		-24	-19	-43		-46	-52	-98
Total Net Trips			561		7	39	46		28	9	37
Net Residential Trips			791		10	49	59		47	23	70
Net Commercial Trips			-230		-3	-10	-13		-19	-14	-33
/a/ ITE Code 230, Residential Condominium/Townhouse. /b/ ITE Code 820, Shopping Center. /c/ ITE Code 710, General Office Building /d/ ITE Code 720, Medical-Dental Office Building Sources: ITE <i>Trip Generation</i> , Seventh Edition, 2003, and trip generation survey at project site on 6/2/04.											

The amended project would reduce the residential component to 108 attached dwelling units, decrease the commercial retail space to 4,850 s.f., increase the general office space to 12,275 s.f., and eliminate the medical office space. The amended project also would include a total of 7,800 s.f. of restaurant space. Four project options were evaluated reflecting various mixes of different restaurant types.

Sit-Down High-Turnover Restaurants

Two of the four amended project options include a mix of sit-down high-turnover type restaurants and sit-down quality type restaurants. As the description indicates, high-turnover type restaurants generate substantially more traffic than quality restaurants, particularly during the AM peak hour, when quality restaurants are usually closed. Most high-turnover restaurants are open in the morning; however, the project applicant has indicated that the particular high-turnover restaurant that may occupy the Derry Lane project may be closed during the AM peak hour. Thus, the trip generation analysis was conducted both for a high-turnover restaurant that is closed and for one that is open in the AM peak hour. Tables 2 and 3 present the project trip estimates under each of the project options with high-turnover restaurants. Under both scenarios, the analysis determined the maximum size of high-turnover restaurant space allowable without exceeding the daily or peak-hour project trips documented in the project's FEIR.

**Table 2: Amended Project Trip Generation Estimates –
 Option 1: Sit-Down High-Turnover Restaurant (closed in the AM Peak Hour)**

Use	Size	Daily		AM Peak Hour			PM Peak Hour				
		Rate	Trips	Rate	In	Out	Total	Rate	In	Out	Total
Amended Project											
Attached Residential /a/	108 d.u.	5.86	633	0.44	8	40	48	0.52	38	18	56
Commercial Retail /b/ Pass-By Trip Reduction	4,850 s.f.	42.94	208	1.03	3	2	5	3.75	9	9	18
Quality Restaurant/d/ Pass-By Trip Reduction	900 s.f.	89.95	81	0.81	1	0	1	7.49	5	2	7
High-turnover Restaurant/e/ Pass-By Trip Reduction	6,900 s.f.	104.11	718	0.81	3	3	6	10.92	46	29	75
Office /c/	12,275 s.f.	11.01	135	1.55	17	2	19	1.49	3	15	18
			1406		31	45	76		77	58	135
Existing Uses											
Commercial (Observed) Pass-By Trip Reduction	-21,290 s.f.	55.378	-1179	2.02	-24	-19	-43	6.15	-62	-69	-131
			149		--	--	--		16	17	33
			-1,031		-24	-19	-43		-46	-52	-98
Total Net Trips			375		7	26	33		31	6	37
Net Residential Trips			633		8	40	48		38	18	56
Net Commercial Trips			-258		-1	-14	-15		-7	-12	-19

/a/ ITE Code 230, Residential Condominium/Townhouse.
 /b/ ITE Code 820, Shopping Center.
 /c/ ITE Code 710, General Office Building
 /d/ ITE Code 931, Quality Restaurant
 /e/ ITE Code 932, High-Turnover (Sit-Down) Restaurant for PM. Assume restaurant is closed in AM.
 High-Turnover Restaurant uses Quality Restaurant rate in AM for employee and delivery trips.
 Sources: ITE *Trip Generation*, Seventh Edition, 2003, and trip generation survey at project site on 6/2/04.

Assuming that the high-turnover restaurant would be closed during the AM peak hour, it was determined that the amended project could contain a maximum of 6,900 s.f. of high-turnover restaurant space. The remaining 900 s.f. of restaurant space is assumed to be a quality restaurant.

**Table 3: Amended Project Trip Generation Estimates –
 Option 2: Sit-Down High-Turnover Restaurant (open in the AM Peak Hour)
 Assuming 10% TOD Reduction**

Use	Size	Daily		AM Peak Hour			PM Peak Hour				
		Rate	Trips	Rate	In	Out	Total	Rate	In	Out	Total
Amended Project											
Attached Residential /a/	108 d.u.	5.86	633	0.44	8	40	48	0.52	38	18	56
Commercial Retail /b/ Pass-By Trip Reduction	4,850 s.f.	42.94	208 -29	1.03	3 0	2 0	5 0	3.75	9 -2	9 -3	18 -5
Quality Restaurant/d/ Pass-By Trip Reduction	5,400 s.f.	89.95	486 -216	0.81	4 0	0 0	4 0	7.49	27 -12	13 -6	40 -18
High-turnover Restaurant/e/ Pass-By Trip Reduction TOD Reduction (10%)	2,400 s.f.	127.15	305 -31	11.52	14 -6	14 -6	28 -12	10.92	16 -7	10 -4	26 -11
Office /c/	12,275 s.f.	11.01	135	1.55	17	2	19	1.49	3	15	18
			1491		39	50	89		70	52	122
Existing Uses											
Commercial (Observed) Pass-By Trip Reduction	-21,290 s.f.	55.378	-1179 149 -1,031	2.02	-24 -- -24	-19 -- -19	-43 -- -43	6.15	-62 16 -46	-69 17 -52	-131 33 -98
Total Net Trips			461		15	31	46		24	0	24
Net Residential Trips			633		8	40	48		38	18	56
Net Commercial Trips			-172		7	-9	-2		-14	-18	-32
/a/ ITE Code 230, Residential Condominium/Townhouse. /b/ ITE Code 820, Shopping Center. /c/ ITE Code 710, General Office Building /d/ ITE Code 931, Quality Restaurant /e/ ITE Code 932, High-Turnover (Sit-Down) Restaurant Sources: ITE <i>Trip Generation</i> , Seventh Edition, 2003, and trip generation survey at project site on 6/2/04.											

The maximum allowable space devoted to a high-turnover restaurant would be constrained to 2,400 s.f. if the high-turnover restaurant was open in the AM peak hour. Quality restaurant(s) totaling 5,400 s.f. are assumed to make up the remainder of the restaurant space in this scenario. It should be noted that this result assumes a 10 percent reduction in the high-turnover restaurant trips based on the mix of proposed land uses and the site's proximity to transit services and the downtown area, all of which may lead to an above average percentage of trips by alternate modes of travel.

Fast-Food Restaurants

The other two amended project options include a mix of fast-food type restaurants (without a drive-through window) and sit-down quality type restaurants. It is assumed that the fast-food restaurant(s) would be open in the AM peak hour. Fast-food restaurants have the highest trip generation rate of all restaurant types. However, the high vehicle trip rate is moderated somewhat by the high percentage of pass-by trips found at fast-food restaurants.

The trip generation analysis was first conducted assuming a 10 percent reduction in the fast-food restaurant trips based on the Transit-Oriented Development (TOD) attributes discussed above. With this trip credit, it was determined that the amended project could contain a maximum of 650 s.f. of fast-food restaurant space. The remaining 7,150 s.f. of restaurant space is assumed to be a quality restaurant. Table 4 presents the project trip estimates under this scenario.

**Table 4: Amended Project Trip Generation Estimates –
 Option 3: Fast-Food Restaurant (open in the AM Peak Hour)
 Assuming 10% TOD Reduction for Restaurant Use**

Use	Size	Daily		AM Peak Hour			PM Peak Hour				
		Rate	Trips	Rate	In	Out	Total	Rate	In	Out	Total
Amended Project											
Attached Residential /a/	108 d.u.	5.86	633	0.44	8	40	48	0.52	38	18	56
Commercial Retail /b/ Pass-By Trip Reduction	4,850 s.f.	42.94	208 -29	1.03	3 0	2 0	5 0	3.75	9 -2	9 -3	18 -5
Quality Restaurant/d/ Pass-By Trip Reduction	7,150 s.f.	89.95	643 -288	0.81	5 0	1 0	6 0	7.49	36 -16	18 -8	54 -24
Fast-Food w/o Drive-Through /e/ Pass-By Trip Reduction TOD Reduction (10%)	650 s.f.	716.00	465 -230 -47	43.87	17 -8 -2	12 -6 -1	29 -14 -3	26.15	9 -5 -1	8 -3 -1	17 -8 -2
Office /c/	12,275 s.f.	11.01	135	1.55	17	2	19	1.49	3	15	18
			1491		40	49	89		71	53	124
Existing Uses											
Commercial (Observed) Pass-By Trip Reduction	-21,290 s.f.	55.378	-1179 149 -1,031	2.02	-24 -- -24	-19 -- -19	-43 -- -43	6.15	-62 16 -46	-69 17 -52	-131 33 -98
Total Net Trips			461		16	30	46		25	1	26
Net Residential Trips			633		8	40	48		38	18	56
Net Commercial Trips			-172		8	-10	-2		-13	-17	-30
/a/ ITE Code 230, Residential Condominium/Townhouse. /b/ ITE Code 820, Shopping Center. /c/ ITE Code 710, General Office Building /d/ ITE Code 931, Quality Restaurant /e/ ITE Code 933, Fast-Food Restaurant without Drive-Through Window Sources: ITE <i>Trip Generation</i> , Seventh Edition, 2003, and trip generation survey at project site on 6/2/04.											

The magnitude of trip reductions that can be expected due to the project's TOD characteristics is difficult to predict, and may in fact exceed 10 percent. Additionally, the project's TOD attributes also may result in a reduction in the trips generated by the proposed residential units. Recent studies of numerous TODs throughout California, including several residential developments within one-quarter mile of a Caltrain station, have concluded that the average transit commute share for residential TODs is 20 percentage points greater than that for those living in the surrounding area.¹ For the City's consideration, the maximum allowable size of fast-food restaurant also was calculated assuming a 15-percent reduction in both the fast-food restaurant trips and the residential trips. With the higher trip credits, it was determined that the amended project could contain a maximum of 1,200 s.f. of fast-food

¹ Lund, H., R. Cervero and R. Willson. 2003. *Travel Characteristics of Transit-Oriented Development in California*. Funded by Caltrans Transportation Grant—"Statewide Planning Studies"—FTA Section 5313 (b).

restaurant space. The remaining 6,600 s.f. of restaurant space is assumed to be a quality restaurant. The trip estimates for this project option are shown in Table 5.

**Table 5: Amended Project Trip Generation Estimates –
 Option 4: Fast-Food Restaurant (open in the AM Peak Hour)
 Assuming 15% TOD Reduction for Restaurant and Residential Uses**

Use	Size	Daily		AM Peak Hour			PM Peak Hour				
		Rate	Trips	Rate	In	Out	Total	Rate	In	Out	Total
Amended Project											
Attached Residential /a/ TOD Reduction (15%)	108 d.u.	5.86	633	0.44	8	40	48	0.52	38	18	56
Commercial Retail /b/ Pass-By Trip Reduction	4,850 s.f.	42.94	208	1.03	3	2	5	3.75	9	9	18
Quality Restaurant/d/ Pass-By Trip Reduction	6,600 s.f.	89.95	594	0.81	4	1	5	7.49	33	16	49
Fast-Food w/o Drive-Through /e/ Pass-By Trip Reduction TOD Reduction (15%)	1,200 s.f.	716.00	859	43.87	32	21	53	26.15	16	15	31
Office /c/	12,275 s.f.	11.01	135	1.55	17	2	19	1.49	3	15	18
			1487		42	47	89		66	51	117
Existing Uses											
Commercial (Observed) Pass-By Trip Reduction	-21,290 s.f.	55.378	-1179	2.02	-24	-19	-43	6.15	-62	-69	-131
			149		--	--	--		16	17	33
			-1,031		-24	-19	-43		-46	-52	-98
Total Net Trips			457		18	28	46		20	-1	19
Net Residential Trips			633		8	40	48		38	18	56
Net Commercial Trips			-81		11	-6	5		-12	-16	-29
/a/ ITE Code 230, Residential Condominium/Townhouse. /b/ ITE Code 820, Shopping Center. /c/ ITE Code 710, General Office Building /d/ ITE Code 931, Quality Restaurant /e/ ITE Code 933, Fast-Food Restaurant without Drive-Through Window Sources: ITE <i>Trip Generation</i> , Seventh Edition, 2003, and trip generation survey at project site on 6/2/04.											

Conclusions

Each of the four project options described above would generate the same or fewer vehicle trips than the previously proposed project described in the FEIR. Thus, the traffic analysis contained in the FEIR sufficiently identifies any significant project impacts on traffic conditions.

Sincerely,

HEXAGON TRANSPORTATION CONSULTANTS, INC.



Michelle Hunt
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