



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: October 23, 2007
Staff Report #: 07-177

Agenda Items #: Study Session and F1

STUDY SESSION & REGULAR BUSINESS: Consideration of and Direction on a Mixed-Use Office, Research and Development (R&D), Hotel, and Health Club Project at 101 to 155 Constitution Drive and 100 to 190 Independence Drive and Associated Environmental Impact Report (EIR) Scope Revisions and Development Agreement Process.

RECOMMENDATION

Study Session

Staff recommends that the City Council use the study session to become more familiar with the proposed mixed-use development incorporating office, research and development (R&D), hotel, and health club elements located on parcels at 101 to 155 Constitution Drive and 100 to 190 Independence Drive. The project sites are shown on Attachment A. The study session will also provide an opportunity for the applicant and staff to understand questions, ideas, or concerns of the City Council and the public.

Regular Business

Staff recommends that the Council approve the following during the Regular Business Item:

1. The EIR scope revisions as shown in Attachments H and I; and
2. The formation of a Council subcommittee (with appointments to be made at a later date) in order to provide feedback to staff during the negotiation of the Development Agreement, which would commence later in the application review process.

BACKGROUND

In 2004, Bohannon Development Company submitted an application for a General Plan Amendment, Zoning Ordinance Amendment, Rezoning, Development Agreement, and Environmental Impact Report (EIR), associated with a proposal for a mixed-use office,

R&D, hotel, and health club development on eight properties addressed 100 to 190 Independence Drive and 101 to 135 Constitution Drive. The proposal would not have directly affected any other parcels, although the proposed General Plan land use designation and zoning district could have been applied in the future to other nearby parcels, if those property owners applied for separate General Plan Amendment and Rezoning actions.

Work on an EIR commenced in 2005, with EIP Associates (now part of PBS&J) serving as the City's primary EIR consultant and DKS Associates providing transportation analysis services. In 2006, prior to the release of a Draft EIR, the project was put on hold at the applicant's request, in order to consider modifications to the proposal to accommodate a specific hotel operator. The applicant submitted a revised application in early 2007 incorporating the Marriott Renaissance ClubSport. The revisions included the addition of a parcel located at 155 Constitution Drive and the specification that the potential General Plan land use designation and zoning district would only apply to these nine parcels at this time. In addition, the proposal was revised to include a higher maximum FAR (Floor Area Ratio), primarily to accommodate the programming needs of the hotel and health club, and a higher building height. For reference, the existing regulations are provided as Attachment B. The details of the current proposal are discussed further in the Analysis section and in the draft General Plan and Zoning Ordinance Amendments prepared by the applicant, included as Attachment C.

During the summer, the City held three meetings for elected/appointed officials and members of the public to comment on the Initial Study and Notice of Preparation (NOP):

- Planning Commission – June 4, 2007
- City Council – June 19, 2007
- City Council – July 10, 2007

During the scoping sessions, Planning Commissioners and Council Members made individual comments, but these bodies did not take any formal actions. The City also solicited and received written comments on the proposed EIR scope during the period between May 24 and July 10, 2007. The City and EIR consultant's response to the scoping comments is discussed in more detail in the Analysis section.

In addition, a number of other meetings have been held in reference to this proposal. The following is a comprehensive listing of past meetings:

Original Application

- EIR Scoping Session at Menlo Park Senior Center – July 14, 2005
- City Council Study Session – October 4, 2005

Current Application

- City Council Presentation – March 20, 2007
- Planning Commission EIR Scoping Session – June 4, 2007
- City Council EIR Scoping Session – June 19, 2007
- City Council EIR Scoping Session – July 10, 2007
- City Council Review of Fiscal Impact Analysis (FIA) Procedure – July 31, 2007
- Planning Commission Study Session – August 27, 2007

The draft excerpt minutes of the Planning Commission study session are included as Attachment D.

At the July 31, 2007 meeting, the City Council directed staff to obtain an independent Fiscal Impact Analysis (FIA) of the proposed project, with the selection of the financial analysis consultant conducted through a Request for Proposal (RFP) process. The City Council will review and approve the draft RFP prior to its issuance. Review and approval of the RFP is tentatively scheduled to return to the Council in late November or early December 2007. The proposal has the potential to generate substantial revenues, primarily through the hotel component and its associated tax revenue.

ANALYSIS

Study Session

The study session portion of this meeting will provide an opportunity for the City Council to become more familiar with the project and for the applicant and staff to understand questions, ideas, or concerns of the City Council and the public. No staff recommendation on the overall merits of the requested applications is being provided at this time. Staff believes that due to the size and complexity of the proposal, a detailed discussion of the overall merits of the proposal would be most productive after the release of the Draft EIR and Fiscal Impact Analysis, when both the projected environmental impacts and economic benefits will have been disclosed.

The study session will use the following procedure:

1. Introduction by Staff
2. Project Presentation by Applicant
3. Council Questions of Staff/Applicant on Project Proposal
4. Public Comment on Project Proposal
5. Council Comments on Project Proposal

Bohannon Development Company is proposing a new General Plan land use designation and a new zoning district to be applied to two sites in Bohannon Park northeast of US 101 totaling 15.9 acres. The first site is located on Independence Drive and is comprised of five parcels with addresses ranging from 100 Independence Drive

to 190 Independence Drive. The second site is located on Constitution Drive and is comprised of four parcels with addresses ranging from 101 Constitution Drive to 155 Constitution Drive.

The properties currently have a General Plan land use designation of Limited Industry and the properties are part of the M-2 (General Industrial) zoning district. Information pertaining to the existing General Plan land use designation and zoning district is included in Attachment B. The applicant has prepared draft language of the proposed General Plan and Zoning Ordinance Amendments to create a new land use designation (Mixed-Use Commercial Business Park) and zoning district (M-3 Mixed Use Commercial Business Park), which is available as Attachment C. Staff has evaluated the proposed General Plan and Zoning Ordinance amendments for general adequacy. However, staff has not reviewed the proposed structure in detail. The exact language of the proposal may be revised at a later date through the public review process.

The following is a summary table comparing the development standards of the existing M-2 and proposed M-3 zoning districts.

Development Regulation Comparison

	Proposed M-3 District Requirements	Existing M-2 District Requirements
Lot Area	0 sf min.	25,000 sf min.
Lot Width	0 ft. min.	100 ft. min.
Lot Depth	0 ft. min.	100 ft. min.
Setbacks		
Front	0 ft. min.	20 ft. min.
Rear	10 ft. min.	0 ft. min.
Sides	5 ft. avg.	10 ft. avg.
Height	140 ft. max.	35 ft. max.
Floor Area Ratio (FAR)		
Office	100% max.	45% max.
Hotel	25% max. additional	Not applicable
Other	13.5% max. additional	10% max. additional
Total	<u>138.5% max.</u>	<u>55% max.</u>
Coverage	0% min.	50% max.
Paving	0% min.	0% min.
Landscaping	30% min.	0% min.

In addition, the applicant is proposing to undertake several associated amendments to the Zoning Ordinance. In particular, the applicant is proposing to create use-based off-street parking standards specific to the M-3 district. These standards, which are described in more detail in the draft Zoning Ordinance amendment (Attachment C), would allow for reductions for shared parking.

The applicant has set up the proposed M-3 zoning district such that all uses within the specific development proposal would be considered permitted uses if approved as part of a Development Agreement, meaning that use permit approval would not be required for the project or for future changes that comply with the Zoning Ordinance. However, the Development Agreement process would provide the City with the ability to condition the project as necessary while at the same time affording the City an opportunity to obtain additional benefits to the community.

The applicant has not fully completed the design of a specific development proposal, but intends for architectural control approval of specific project plans to be a component of the final review process. Initial site plans and renderings are included as Attachment E.

The proposed project would require the following actions:

1. **General Plan Amendment:** Create a new Mixed-Use Commercial Business Park land use designation and change the land use designation of the properties from Limited Industry to Mixed-Use Commercial Business Park;
2. **Zoning Ordinance Amendment:** Create a new M-3 (Mixed-Use Commercial Business Park) zoning district and undertake associated modifications, in particular the creation of specific parking requirements for the M-3 district;
3. **Rezoning:** Change the zoning district of the properties from M-2 (General Industrial) to M-3 (Mixed-Use Commercial Business Park);
4. **Architectural Control:** Approval of specific project plans for the construction of new buildings with a total of 962,196 square feet of gross floor area (138.5% FAR) and a maximum building height of 140 feet (equating to eight stories);
 - The Constitution Drive site would include two office buildings, two parking structures, and neighborhood-serving retail and community facility space;
 - The Independence Drive site would include one office building, a 173,682-square foot, 245-room hotel, a 76,420-square-foot health/fitness center, a shared parking structure, and associated commercial space;
 - The combined office gross floor area on the two sites would total 694,726 square feet.
5. **BMR Agreement:** Payment of in-lieu fees associated with the City's Below Market Rate (BMR) Housing Program;
6. **Development Agreement:** Guarantee development rights associated with the requested entitlements in exchange for public benefits; and
7. **Environmental Impact Report (EIR):** Analyze the potential environmental impacts of the proposal.

The proposal will require review and recommendations by the Planning Commission for the General Plan Amendment, Zoning Ordinance Amendment, Rezoning, Development Agreement, Architectural Control, and EIR. In addition, the proposal will require Housing Commission review and recommendation for the BMR (Below Market Rate)

Agreement to provide in-lieu fees associated with the City's BMR Housing Program. The City Council will be the final decision-making body on these applications.

Under state law, actions such as General Plan and Zoning Ordinance amendments are considered legislative acts, and the City does not have any obligation to approve such requests. The project sponsor has acknowledged that there is no certainty that the City will ultimately undertake the requested actions as proposed, but has stated a preference that the Draft EIR and Fiscal Impact Analysis be completed prior to any determination of the overall merits of the proposal, so that the environmental impacts and economic benefits of the proposed project can be discussed in more detail. Approval of a reduced-scale or otherwise modified project would be permitted if the overall substance of the proposal were the same and the environmental impacts were reduced.

Regular Business: Environmental Impact Report (EIR) Scope

The City is in the process of preparing an EIR for the proposal, as required by the California Environmental Quality Act (CEQA). CEQA has the following basic purposes:

1. Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities.
2. Identify the ways that environmental damage can be avoided or significantly reduced.
3. Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
4. Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved. (CEQA Guidelines Section 15002 "General Concepts")

EIRs play an important role in informing policy decisions, although there may be policy implications of a proposal that cannot be analyzed in terms of environmental effects.

As noted in the Background section, initial work on the EIR for the original proposal commenced in 2005, with EIP Associates (now part of PBS&J) serving as the City's primary EIR consultant and DKS Associates providing transportation analysis services. Selection of these consultants was conducted by staff through master agreements for work on environmental documents. These master agreements were authorized by the City Council in 2004, with the intent that such agreements help establish continuity with consultants familiar with the regulations and policies of the City of Menlo Park and make the overall environmental review process more efficient.

After the proposal was reactivated, the City distributed an updated Notice of Preparation (NOP) and Initial Study for the revised project and received comments in response to these documents during the summer of 2007. The City and the EIR consultant have reviewed all responses, and have noted that the majority of the

comments address issues that were previously anticipated by the proposed EIR scope or address issues that are primarily policy-based concerns. However, several comments address topics that were not previously addressed and which staff and the EIR consultant agree should be part of a revised scope. These topics are discussed in more detail below. For reference, the original EIR and traffic study scopes for the current project are included as Attachments F and G, respectively, and the proposed revised EIR and traffic study scopes are included as Attachments H and I, respectively.

Housing-Related Impacts

At the City Council meeting of July 10, 2007, several members of the public commented on the potential of the proposed commercial project to result in additional housing demand in Menlo Park. In particular, concerns were raised as to how the proposal could affect the City's requirements under the Regional Housing Needs Allocation (RHNA) processes, which are used to prepare the Housing Element of the City's General Plan. These comments were echoed by several Council Members.

In response, staff and the EIR consultant are proposing that the EIR include a significantly expanded Population and Housing section. This portion of the EIR would use as its basis a Housing Needs Assessment (HNA) prepared by Keyser Marston Associates (KMA), a subconsultant to the primary EIR consultant. The proposed HNA scope is included as Attachments H2-H14. The analysis would estimate the demand for housing generated by the proposed project, with the overall demand broken out by affordability level. The analysis would be conducted for each of the major components of the proposal, to help provide an understanding of the housing impacts with regard to potential alternatives to the project. In addition, KMA would evaluate these projections within the context of the current RHNA number and the project's potential to induce changes in future RHNA numbers. This portion of the analysis would use published materials and whatever direct input and clarification can be obtained from the Association of Bay Area Governments (ABAG), the regional agency that oversees the overall RHNA process, although KMA has noted that any projections could not guarantee what ABAG might do in the future.

Staff and the EIR consultant believe that the proposed analysis of housing-related impacts would adequately address the previously-stated concerns.

Alternatives

At the City Council meeting of July 10, 2007, several members of the public commented that all components of the analysis should be conducted separately for the two sites that comprise the project, along with the analysis for the two sites together. In addition, Council Member Boyle echoed these comments. For reference, the Constitution Drive site would contain two office and R&D buildings, two parking structures, and a small amount of retail and community facility space, while the

Independence Drive site would contain a hotel and health club, one office and R&D building, and a shared parking structure.

Staff and the EIR consultant have since discussed this topic in detail. In the professional opinion of the EIR consultant, a segmented site-by-site analysis would be inadvisable and potentially impermissible under CEQA for several reasons. First, the applicant has submitted an application for a project that includes both the Constitution and Independence sites, and revising the project description to create essentially three options to the Project would not constitute the “whole [set of] action(s),” defined as a “project” under CEQA (see Guidelines, Section 15378(a)). In addition, CEQA forbids an agency from “segmenting” or “piecemealing” a project into smaller parts if the effect is to reduce its level of impacts. While it may not be the intent of the recommendation to split the project description up into three variations, it could be interpreted as the effect. A memo from the EIR consultant detailing these concerns is included as Attachment J.

However, staff and the EIR consultant believe it would be appropriate to address the substance of this recommendation through the alternatives analysis. Under CEQA, the analysis of alternatives is a required EIR component:

An EIR shall describe 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, and evaluate the comparative merits of the alternatives. An EIR need not consider every conceivable alternative to a project. Rather it must consider a reasonable range of potentially feasible alternatives that will foster informed decisionmaking and public participation. An EIR is not required to consider alternatives which are infeasible. The lead agency is responsible for selecting a range of project alternatives for examination and must publicly disclose its reasoning for selecting those alternatives. There is no ironclad rule governing the nature or scope of the alternatives to be discussed other than the rule of reason. (CEQA Guidelines Section 15126.6 “Consideration and Discussion of Alternatives to the Proposed Project”)

For reference, the original EIR scope proposed to evaluate three alternatives:

1. No Project Alternative
2. Reduced-Intensity Alternative 1 (project with generally lower square footage and height)
3. Reduced-Intensity Alternative 2 (project with modifications made in response to specific impact assessment)

As required by CEQA, the alternatives would be evaluated in comparison to the project, and one would be selected as the “Environmentally Superior Alternative.”

At the City Council meetings of June 19 and July 10, 2007, several Council Members requested that the following alternatives be analyzed:

1. No project
2. Conforming build-out under the existing regulations
3. Hotel-only, no office
4. Initially-proposed (2005) project
5. Project with underground parking

In addition, Council Member Boyle requested that the alternatives consider whether limitations with regard to specific types of office uses (such as R&D uses) would affect the projected impacts.

In response to these suggestions and the earlier discussion of site-specific analysis, staff and the EIR consultant are proposing that the alternatives listed below be analyzed. The square footages and FARs associated with the recommended alternatives are summarized in Attachment K.

1. No Project Alternative

This alternative is specifically required by CEQA and would remain unchanged from the original scope. The No-Project Alternative would analyze the impacts of allowing the existing buildings to remain and continue to operate in their existing office and R&D uses.

2. Conforming Office Build-Out under Existing M-2 Regulations

This alternative would analyze the impacts of a proposal to redevelop the two sites under the existing M-2 zoning district regulations, which allow office buildings at a FAR of 45 percent, subject to use permit and architectural control approval. The M-2 regulations also allow industrial or mixed-use industrial/office buildings at a FAR of 55 percent, provided the individual office component does not exceed 45 percent, but these variations are not proposed to be analyzed.

3. Conforming Office Build-Out under Existing M-2 Regulations Plus Hotel and Health Club

This alternative would take Alternative 2 as stated above and add the proposal's hotel and health club components. Staff believes that this provides the closest equivalent to the request to analyze the Independence Drive site in isolation, as well as the suggestion to analyze a "hotel-only, no office" alternative. Development of both sites is a primary component of the overall proposal, and thus an alternative that looked at developing only one site and/or developing only the hotel and health club component would not be considered to attain the project objectives. Staff and the EIR consultant believe that Alternative 3 would meet the relevant CEQA requirements and would provide a set of important baseline results,

even if the scenario is considered financially or otherwise infeasible by the project sponsor.

Alternative 3 could have the flexibility to reallocate office FAR between the Constitution and Independence sites, provided the total office FAR is not exceeded for the project and provided that only nominal traffic impacts result to the Constitution, Independence, and Chrysler roadways and no impacts to the other analyzed roadways.

4. Modified Original Project

This alternative would provide the most accurate approximation of the request for analysis of the “initially-proposed (2005) project.” The original proposal differs from the current proposal primarily in that it included one fewer parcel, along with a lower total FAR (110 percent versus 138.5 percent). Alternative 4 uses all nine of the current proposal’s parcels as this represents the most comprehensive option, but takes the earlier total FAR of 110 percent as an absolute maximum. The hotel and health club component is included as per the current proposal (FAR of 38.5 percent), and remainder of the available FAR (71.5 percent) is allocated to office.

Alternative 4 could have the flexibility to reallocate office FAR between the Constitution and Independence sites, provided the total office FAR is not exceeded for the project and provided that only nominal traffic impacts result to the Constitution, Independence, and Chrysler roadways and no impacts to the other analyzed roadways.

5. Reduced-Intensity Alternative

This alternative would be reserved for an additional reduced-intensity scenario that would result in an additional reduction in environmental impacts, relative to the proposal and potentially one or more of the other alternatives. The specifics of Alternative 5 would be specified by staff and the EIR consultant during the creation of the Administrative Draft EIR, based on specific impacts.

The following suggested alternatives would be discussed in the EIR, but not analyzed in detail:

- Project with Underground Parking: Considered infeasible due to flood zone and high water table issues.
- Constitution Site Only: Development of office without concurrent hotel development is considered infeasible due to statements made by Council Members regarding the importance of hotel use and associated tax revenue.
- Project with Limited Office Use Types: Considered infeasible for the project sponsor due to issues with project financing and challenging for the City with regard to ongoing enforcement.

The revised EIR and traffic study scopes (Attachments H and I) contain several placeholder alternatives, due to the fact that the specifics of the recommended alternatives had not yet been set. However, staff has verified with the consultants that the proposed time and budget estimates would not change as a result of the specific recommendations above.

Regular Business: Development Agreement

In order to secure entitlements for an extended period of time, the applicant is pursuing a legally binding Development Agreement. Under State law, development agreements enable the City to grant a longer-term approval in exchange for demonstrable public benefits. The project has the potential to provide substantial public benefits through revenue generated from Transient Occupancy Taxes (TOT) from the hotel as well as other areas yet to be determined.

The City Council adopted Resolution No. 4159 in January 1990, establishing the procedures and requirements for the consideration of Development Agreements (Attachment L). The resolution contains specific provisions regarding the form of applications for development agreements, minimum requirements for public notification and review, standards for review, findings and decisions, amendments and cancellation of agreements by mutual consent, recordation of the agreements, periodic review, and modification or termination of an agreement. The City has previously entered into only one Development Agreement, with Sun Microsystems for the development of their campus at 1601 Willow Road. This document is available for review upon request at City offices.

Approval of the Development Agreement would be part of the final set of City Council actions. Due to the complexity and technical content of such agreements, staff is recommending that the City Council authorize the City Manager to conduct the process of formulating the draft Development Agreement in close consultation with the City Attorney and other relevant staff. The Council would appoint a subcommittee consisting of two Council Members to help review the progress and provide feedback during the negotiation process. Staff recommends that appointment of this subcommittee occur when the Council reviews the RFP for Fiscal Impact Analysis (FIA) in late November or early December 2007. Commencement of the Development Agreement negotiations would begin at some point later in the process but no later than after the release of the Draft EIR and FIA, as the specifics of what mitigation measures could be required as part of the proposal and what financial impacts could result from the project would help inform the process.

Based on previous public statements by Council Members and initial discussions with the project sponsor, staff believes that the Development Agreement would have the following core principles:

1. Guarantees must be provided with regard to public benefits; and
2. Construction of the hotel component must be started prior to any office construction.

IMPACT ON CITY RESOURCES

The applicant is required to pay planning permit fees, based on the Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The applicant will bear the cost of any required environmental review. The proposed use has the potential to generate substantial revenue for the City in terms of transient occupancy tax as well as other community benefits. The City will be preparing a fiscal impact analysis that will be subject to public review and utilized in the course of negotiating the Development Agreement.

POLICY ISSUES

The proposed project will ultimately require the Council to consider a policy decision whether to change the General Plan land use designation and the zoning classification for the property. The implications associated with this decision will be analyzed through the project review process.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) will be prepared for this project.

Thomas Rogers
Associate Planner
Report Author

Justin Murphy
Development Services Manager

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

In addition, the City has prepared a project page for the proposal, which is available at the following address: http://www.menlopark.org/projects/comdev_iac.htm. This page provides up-to-date information about the project, allowing interested parties to stay

informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated.

ATTACHMENTS

- A. Location Map
- B. Existing General Plan Land Use Designation, Zoning District, and Off-Street Parking Requirement
- C. Draft General Plan and Zoning Ordinance Amendments, Prepared by Applicant
- D. Draft Excerpt Minutes from the Planning Commission Meeting of August 27, 2007
- E. Site Plans and Renderings
- F. Approved EIR Scope
- G. Approved Traffic Study Scope
- H. Proposed EIR Scope Revision (Including Housing Needs Analysis)
- I. Proposed Traffic Study Scope Revision
- J. Memorandum from PBS&J (EIR Consultant), dated October 18, 2007
- K. Recommended Alternatives – Data Table
- L. Council Resolution No. 4159, Establishing Procedures and Requirements for Development Agreements

Attachment B

Bohannon Office/Hotel Mixed Use General Plan Amendment and Rezoning Project

Existing General Plan Land Use Designation, Zoning District, and Off-Street Parking Requirement

October 23, 2007

GENERAL PLAN LAND USE DESIGNATION

Limited Industry

This designation provides for light manufacturing and assembly, distribution of manufactured products, research and development facilities, industrial supply, incidental warehousing, offices, limited retail sales (such as sales to serve businesses in the area), public and quasi-public uses, and similar and compatible uses. The maximum FAR shall be in the range of 20 percent to 55 percent.

Table II-3 INDUSTRIAL USE INTENSITY		
Land Use Designation/Type	Use Intensity (Floor Area Ratio)	Applicable Zoning Districts
Limited Industry		
Industrial	55%	M-2
	55%	M-1
Offices	45%	M-2
	20%	M-1

ZONING DISTRICT

Chapter 16.46 – M-2 GENERAL INDUSTRIAL DISTRICT

Sections:

- 16.46.010 Permitted uses.
- 16.46.015 Administratively permitted uses.
- 16.46.020 Conditional uses.
- 16.46.030 Development regulations.

16.46.010 Permitted uses. Permitted uses in the M-2 district, all within a building and not requiring new construction or structural alterations therefor (except for those structural alterations enumerated below) and not having any noxious or hazardous character, are as follows:

- (1) General industrial uses including but not limited to warehousing, manufacturing, printing, assembling;
- (2) Offices;
- (3) All of the uses listed above involving any of the following structural alterations:
 - (A) seismic or Americans with Disabilities Act (ADA) compliant upgrades,
 - (B) structural alterations that affect 10,000 square feet or less of gross floor area of a building during a 12-month period measured from final inspection to building permit issuance, or
 - (C) structural alterations that affect more than 10,000 square feet of gross floor area of a building, where said alterations do not both change the use and increase the intensity of a building.

16.46.015 Administratively permitted uses. Uses allowed in the M-2 district, subject to obtaining an administrative permit, are as follows:

- (1) Any outside storage of material, equipment or vehicles associated with the main use.

16.46.020 Conditional uses. Conditional uses allowed in the M-2 district, subject to obtaining a use permit, are as follows:

- (1) All of the uses listed in Section 16.46.010, for which new construction or structural alterations are required, except for the structural alterations permitted therein;
- (2) Activities similar to those listed in Section 16.46.010, but involving the use of hazardous material, provided there are adequate safeguards therefor;
- (3) Cafes, intended to serve the employees of the immediate area;
- (4) Convenience stores to serve the employees of the immediate area and limited to hours of operation between the hours of 7:00 a.m. and 7:00 p.m., Monday through Saturday;
- (5) Personal services such as barber, beauty, launderette, dry cleaning and shoe repair meant to serve the employees of the immediate area and limited to hours of operation between 7:00 a.m. and 7:00 p.m., Monday through Saturday;
- (6) Day care facilities to serve the employees of the immediate area;
- (7) Public utilities in accordance with Chapter 16.76;
- (8) Special uses in accordance with Chapter 16.78.

16.46.030 Development regulations. Development regulations in the M-2 district are as follows:

- (1) Minimum lot area -- Twenty-five thousand square feet;
- (2) Minimum lot dimensions -- One hundred feet width; one hundred feet depth;

- (3) Required minimum yards -- Twenty feet front; rear, none except twenty feet where abutting residential districts; side, ten feet, except that side yard may be reduced to zero feet provided the side yard is correspondingly increased;
- (4) Land cover by all structures shall not exceed fifty percent of building site;
- (5) Height of structures shall not exceed thirty-five feet; however, additional height may be permitted subject to obtaining a conditional development permit;
- (6) In the case of conditional uses, additional regulations may be required by the planning commission.
- (7) The floor area ratio shall not exceed fifty-five percent for general industrial uses, including but not limited to, warehousing, manufacturing, printing, assembling, related office and laboratory uses, and shipping and receiving, and forty-five percent for offices.

OFF-STREET PARKING REQUIREMENT

16.72.050 M-2 district uses. M-2 district uses are as follows: one parking space shall be provided for every 300 square feet of gross floor area not in the front one-quarter of any required front yard.

PROPOSED GENERAL PLAN AMENDMENTS

PART II

(page II-3)

LAND USE/CIRCULATION DIAGRAMS AND STANDARDS

INDUSTRIAL DESIGNATIONS

Limited Industry

This designation provides for light manufacturing and assembly, distribution of manufactured products, research and development facilities, industrial supply, incidental warehousing, offices, limited retail sales (such as sales to serve businesses in the area), public and quasi-public uses, and similar and compatible uses. The maximum FAR shall be in the range of 45 percent to 55 percent.

Mixed-Use Commercial Business Park

This designation provides for light manufacturing and assembly, distribution of manufactured products, research and development facilities, industrial supply, incidental warehousing, offices, limited sales, services to serve businesses and hotel/motel clientele in the area (such as restaurants, cafes, and health/fitness centers), hotel/motel to serve the local and regional market, public and quasi-public uses, and similar and compatible uses. The maximum FAR for the commercial business uses (i.e., light manufacturing and assembly, distribution of manufactured products research and development facilities, industrial supply, incidental warehousing, offices, and limited sales) on both properties shall be 100 percent. In addition to the commercial business at 100 percent FAR, a project with mixed-use commercial business park designation may have an additional FAR of 13.5 percent for health and fitness centers, cafes and restaurants, day care facilities, and neighborhood-serving convenience retail/community facilities; and an additional FAR for hotel/motel use of 25 percent.

(page II-7)

TABLE II-3 INDUSTRIAL USE INTENSITY		
Land Use Designation/Type	Use Intensity (Floor Area Ratio)	Applicable Zoning Districts
Limited Industrial		
Industrial	55%	M-2
Offices	45%	M-2
Mixed-Use Commercial Business Park		
<i>Commercial businesses (i.e., light manufacturing and assembly, distribution of manufactured products, research and development facilities, industrial supply, incidental warehousing, offices, and limited sales)</i>	100%	M-3
AND		
<i>Health and fitness centers, cafes, restaurants, neighborhood-serving convenience retail, community facilities, and day care facilities</i>	13.5%	M-3
AND		
<i>Hotel/motel</i>	25%	M-3

The following existing Goals and Policies are supportive of the proposed project.

**PART I
SECTION I: LAND USE**

GOALS AND POLICIES

(page I-3)

COMMERCIAL

Goal I-E **To promote the development and retention of commercial uses which provide significant revenue to the City and/or goods or services needed by the community and which have low environmental and traffic impacts.**

Policies

I-E-1 All proposed commercial development shall be evaluated for its fiscal impact on the City as well as its potential to provide goods or services needed by the community.

I-E-2 Hotel uses may be considered at suitable locations within the commercial and industrial zoning districts of the city.

I-E-4 Any new or expanded office use must include provisions for adequate off-street parking, mitigating traffic impacts, and developing effective alternatives to auto commuting, must adhere to acceptable architectural standards, and must protect adjacent residential uses from adverse impacts.

INDUSTRIAL

Goal I-F **To promote the retention, development, and expansion of industrial uses which provide significant revenue to the City, are well designed, and have low environmental and traffic impacts.**

Policies

I-F-5 Convenience stores and personal service uses may be permitted in industrial areas to minimize traffic impacts.

PROPOSED ZONING ORDINANCE AMENDMENTS

(page i)

Title 16 ZONING

Chapters:

- 16.44 M-1 Light Industrial District
- 16.46 M-2 General Industrial District
- 16.47 *M-3 Mixed-Use Commercial Business Park*
- 16.48 OSC Open Space and Conservation District

(page 4)

Chapter 16.04 DEFINITIONS

Sections:

- 16.04.325 Gross floor area.
- 16.04.328 *Health and Fitness Centers.*
- 16.04.030 Height of structure.

16.04.205 *Community Facility.* A facility where community events and/or gatherings are held or sponsored by neighborhood, business, civic, cultural, religious or other community organizations.

16.04.225 *Child Day Care Facility.* Any child day care facility, day care center, or preschool, other than a child day care home as defined in this section, which provides non-medical care to children under eighteen years of age in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a twenty-four-hour basis and which may or may not require a license by the State of California Department of Social Services.

16.04.328 *Health and Fitness Centers.* A commercial athletic facility where a building or site is equipped for physical training, fitness, or athletic type games and sports, such as but not limited to, health spas, gymnasiums, group exercise, and personal fitness training; also including ancillary uses when incidental to the primary use, such as but not limited to, steam baths, weight training, massage as defined in Section 16.04.465, saunas, food sales, and retailing of athletic supplies to be used in the facility. Does not include adult entertainment establishment as defined in Section 16.04.025.

16.04.385 **Light industrial uses.** “Light industrial uses” mean uses engaged in prototype development, testing, repairing, manufacturing, assembling, packaging, storage, and/or distribution of finished or semi-finished products conducted within a building, including wet labs, dry labs and/or clean rooms, and not having any noxious or hazardous character. Uses with similar characteristics of the above listed activities, such as telecommunication hub facilities,

may also be considered as light industrial uses. Incidental administrative offices and sales areas occupying less than 20% of the gross floor area of the building are allowed.

16.04.470 Motel or hotel. “Motel” or “hotel” means a single building or group of detached or semi-detached buildings containing guest rooms or apartments, with automobile storage space provided on the site, *or as a shared facility and meeting the requirements in subsection 16.72.055*, for such rooms or apartments provided in connection therewith, which group is designed and used primarily for the accommodation of transient ~~automobile~~ travelers *or visitors*, and not containing individual cooking facilities *except for limited facilities provided in extended stay hotels; and including associated recreational facilities (e.g., swimming pools, exercise facilities, and tennis courts) and associated restaurant.*

16.04.473 Neighborhood-serving convenience retail. “Neighborhood-serving convenience retail” means *uses that support local residents or employees in the immediate area by serving their daily needs for goods and services, such as dry cleaning, coffee shops or cafes, restaurants, copy services, sundries, shoe repair, and other similar retailer service uses;*

16.04.550 Research and development. “Research and development” means a *use which is involved in scientific or engineering investigation leading to the manufacture of new material or equipment and including the making of prototypes but not including the manufacture of such material or equipment.*

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Chapter 16.08

DISTRICTS ESTABLISHED – GENERAL REGULATIONS

Sections:

- 16.08.050 Ambiguity
- 16.08.060 Increase in building height in C-3, C-4, ~~and M-2,~~ and M-3 districts.
- 16.08.070 Cluster housing.

16.08.010 Districts established—Designated. There are established several districts into which the city is divided and which are designated as follows:

- M-1 Light Industrial District
- M-2 General Industrial District
- M-3 *Mixed-Use Commercial Business Park*
- OSC Open Space and Conservation District

(new page)

Chapter 16.47

M-3 MIXED-USE COMMERCIAL BUSINESS PARK

Sections:

16.47.010	Purpose
16.47.015	Applicability
16.47.020	Permitted Uses
16.47.030	Conditional Uses
16.47.040	Development Regulations

16.47.010 Purpose. *The purpose and intent of the M-3 district is to:*

- (1) *Provide for flexible zoning that would accommodate uses ranging from office to light industrial, including research & development businesses, allowing for modern business practices that often lead to shifts in primary business functions over time.*
- (2) *Provide an area that accommodates hotel uses to serve local and regional demand.*
- (3) *Allow supportive commercial services for nearby employment and hotel uses.*
- (4) *Provide a benefit to the City of Menlo Park that is negotiated through a Development Agreement.*

16.47.015 Applicability. *The district shall be limited to two areas with boundaries delineated by: (1) the Bayshore Freeway (US101), Independence Drive, and Chrysler Drive; and (2) the Bayfront Expressway, Independence Drive, Constitution Drive, and Chrysler Drive; and by the requirement of a Development Agreement approval at the time of rezoning.*

16.47.020 Permitted Uses. *Permitted uses in the M-3 district are as follows:*

- (1) *Administrative and Professional Offices;*
- (2) *Research & Development;*
- (3) *Light Industrial;*
- (4) *Motel or Hotel;*
- (5) *Health and Fitness Centers privately operated and intended to serve a hotel or motel and the employees of the surrounding area, and the broader community;*
- (6) *Cafes and restaurants serving beer, wine or alcoholic beverages of any type and providing live music or entertainment;*
- (7) *Day care facilities to serve the employees, hotel guests, and other patrons of uses in the immediate area;*
- (8) *Massage establishment or services associated with a hotel, health club or spa;*
- (9) *Neighborhood-serving convenience retail businesses intended primarily to serve the employees of the immediate area and limited to hours of operation between the hours of 6:00 a.m. and 9:00 p.m., Monday through Sunday;*
- (10) *Personal Services;*
- (11) *Community Facilities;*

- (12) *Parking Structure;*
- (13) *Activities involving the use of hazardous materials, incidental to a hotel, health club or spa and subject to an approved Hazardous Materials Business Plan and a Menlo Park Fire Protection District Use Permit, and provided there are adequate safeguards therefor;*
- (14) *Any outside storage of material, equipment or vehicles associated with the main use, which meets the minimum screening and location requirements as defined within Chapter 16.64.*

16.47.030 Conditional Uses. *Conditional uses allowed in the M-3 district, subject to obtaining a use permit are as follows:*

- (1) *Public utilities in accordance with Chapter 16.76;*
- (2) *Special uses in accordance with Chapter 16.7, with the exception of those uses indicated in Section 16.47.020;*
- (3) *Activities involving the use of hazardous materials, incidental to those uses allowed in Section 16.47.020 and subject to an approved Hazardous Materials Business Plan and a Menlo Park Fire Protection District Use Permit, and provided there are adequate safeguards therefor, with the exception of those activities indicated in Section 16.47.020 (13).*

16.47.040 Development regulations. *Development regulations in the M-3 district are as follows, these regulations apply across all parcels that are part of the Development Agreement, even if the parcels are not contiguous.*

- (1) *Minimum yards:*
 - a) *Zero feet street-facing frontage;*
 - b) *10 feet along frontage facing Bayshore Freeway (US 101) and Bayfront Expressway (landscape buffer treatments within this frontage shall be determined through the architectural control process as part of building permit approvals);*
 - c) *5 feet along boundaries adjoining other property, except that a setback may be reduced to zero feet provided that the parallel setback is correspondingly increased to 10 feet or when abutting another district that allows residential use in which case the side yard shall be no less than required by the abutting district;*
- (2) *Minimum on-site landscaping; 30% minimum of the total site area shall be landscaped, including planted areas, paved plaza space and pedestrian circulation.*
- (3) *Maximum floor area ratio (FAR):*
 - a) *Administrative and Professional Offices, Research & Development, Light Industrial uses: 100% of the lot area;*

AND

 - b) *Health and Fitness Center, Cafes and Restaurants, Neighborhood-Serving Convenience Retail/Community Facilities, and Day Care Facilities: 13.5% of the lot area;*

AND

 - c) *Motel or Hotel: 25% of the lot area.*
- (4) *Maximum height of structures shall be 140 feet to top of screening of rooftop mechanical equipment;*

- (5) *Motel or Hotel room limit: the total number of motel or hotel rooms allowed within one M-3 Zoning District project proposal shall not exceed 245 rooms.*
- (6) *In the case of conditional uses, the Planning Commission may require additional regulations.*

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**Chapter 16.72
OFF-STREET PARKING**

Sections:

- 16.72.045 M-1 district uses.
- 16.72.050 M-2 district uses.
- 16.72.055 *M-3 district uses.*
- 16.72.060 Public utility facilities.

16.72.055 *M-3 district uses. Shared parking is allowed within the M-3 District. Parking requirements for M-3 district uses are as follows.*

- (1) *Administrative and Professional Offices, Research & Development, Light Industrial uses: one parking space for every 300 square feet of gross floor area;*
- (2) *Motel or Hotel: one parking space for every one guest room;*
- (3) *Recreational facilities privately operated, Cafes and Restaurants, Day Care Facilities, Neighborhood-Serving Convenience Retail, Personal Services, or Community Facilities: one space for every 200 square feet of gross floor area;*
- (4) *Required parking shall not be provided in any required street-facing yard in M-3 districts on the subject properties.*
- (5) *Shared parking: The uses allowed within the M-3 district may have maximum parking demands at different times of day. Parking requirement reductions that account for this by allowing shared parking agreements may be included in the Development Agreement which is required to implement the M-3 district designation.*



PLANNING COMMISSION DRAFT EXCERPT MINUTES

August 27, 2007

7:00 p.m.

City Council Chambers

701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER – 7:00 p.m.

ROLL CALL – Bims, Bressler (Absent), Deziel (Vice chair), Keith (Chair), O'Malley (Left at 10:45 p.m.), Pagee (Arrived 7:05 p.m.), Riggs

INTRODUCTION OF STAFF – Deanna Chow, Senior Planner; Megan Fisher, Associate Planner; Justin Murphy, Development Services Manager; Thomas Rogers, Associate Planner

D. STUDY ITEM

Study Session on a General Plan Amendment, Zoning Ordinance Amendment, Rezoning, Development Agreement, Architectural Control, Below Market Rate (BMR) Agreement, and Environmental Review/Bohannon Development Company/101-155 Constitution Drive and 100-190 Independence Drive:

1. General Plan Amendment to create a new Mixed-Use Commercial Business Park land use designation, which would allow research and development (R&D) facilities, offices, hotels/motels, health/fitness centers, cafes and restaurants, and related commercial uses. The maximum floor area ratio (FAR) would be set at 100% for offices, R&D, and related commercial facilities, 13.5% for health/fitness centers, cafes and restaurants, day care facilities, and related retail/community facilities, and 25% for hotels/motels (total maximum FAR of 138.5%);
2. General Plan Amendment to change the land use designation of the properties from Limited Industry to Mixed-Use Commercial Business Park;
3. Zoning Ordinance Amendment to create a new M-3 (Mixed-Use Commercial Business Park) zoning district to allow for uses and FAR as stated in the corresponding General Plan land use designation. In addition, the M-3 zoning district would permit a maximum building height of 140 feet and a maximum number of 245 hotel rooms, and would specify use-based off-street parking requirements;
4. Rezoning the properties from M-2 (General Industrial) to M-3 (Mixed-Use Commercial Business Park);
5. Architectural Control approval of specific project plans for the construction of new buildings with a total of 962,196 square feet of gross floor area (138.5% FAR) and a maximum building height of 140 feet (equating to eight stories);

- The Constitution Drive site would include two office buildings, two parking structures, and neighborhood-serving retail and community facility space;
 - The Independence Drive site would include one office building, a 173,682-square foot, 245-room hotel, a 76,420-square-foot health/fitness center, a shared parking structure, and associated commercial space;
 - The combined office gross floor area on the two sites would total 694,726 square feet.
6. BMR Agreement for the payment of in-lieu fees associated with the City's Below Market Rate Housing Program;
 7. Development Agreement to guarantee development rights associated with the requested entitlements; and
 8. Environmental Impact Report to analyze the potential environmental impacts of the proposal.

Chair Keith said this Study Session was requested by the Commission to allow public comment prior to development of an EIR for the project proposal. She said a member of the public had requested that this item be continued, but the Commission thought it was important to keep this date as there was an expectation with local schools back in session that more people were in town and could attend if they chose. She said if the Study Session was not concluded by 11 p.m. that another session could be scheduled. She noted that the staff report listed meetings already conducted on the project proposal as well as future meetings that would be held.

Staff Comment: Planner Rogers said a study session allowed the Commission and public to receive information and make comments. He noted that page 6 of the staff report listed all of the meetings thus held and future meetings to be held. He reminded the public that the City has created a "Project Page" to which the public can sign up for e-mail notification when content was changed.

Questions of Staff: Commissioner Deziel said he was concerned that the public was not given enough opportunity to comment on the scope of the project as opposed to the EIR. In reply to Commissioner Deziel, Planner Rogers said there were no public hearings required by the zoning ordinance on a General Plan Amendment at this stage. Commissioner Deziel upon confirming with staff that this was not a public hearing but was an opportunity for public comment requested that minutes be prepared for this study session meeting so the City Council might receive these comments. Planner Chow said that typically minutes were not prepared for study session meetings, mainly due to budget and so that regular Commission meeting minutes were prepared in a timely manner. She said staff would look into having minutes prepared for this study session meeting.

Commissioner Deziel said the first opportunity for the public to participate in a public hearing would be after the publication of the draft EIR. Planner Rogers said that was correct. Commissioner Deziel said a public hearing on the project after the preparation of an EIR might mean the project analyzed would not be the same as the project which

evolves from the public hearing and the EIR might need revision or to be redone. Planner Rogers said the applicant understood that nothing was guaranteed with this process and that potentially the EIR would have to be revised or restarted.

Commissioner Deziel asked whether the applicant prepared the proposed General Plan and Zoning Ordinance Amendments and if staff had reviewed those. Planner Rogers said the applicant had developed these proposed amendments with revisions based on conversations with staff. Commissioner Deziel said page 2 of the staff report stated that the project proposes to make site-specific changes to the General Plan and Zoning Ordinance, but would not allow other nearby parcels to apply for the proposed new General Plan land use designation and zoning district. He said he would like to know how this could be done without violating the General Plan and Zoning Ordinance which does not allow special privileges. Chair Keith asked if the last question could be held until after the applicant's presentation. Commissioner Deziel agreed.

Public Comment: Mr. David Bohannon, Bohannon Development Company, said that the project proposal could certainly be discussed, but he thought it was somewhat difficult to have a qualitative conversation about the project without the draft EIR.

Mr. Phil Erickson, Bohannon Development Company, said the presentation he would make was similar to the presentation made a month or so prior to the City Council. He said the project proposal included amendments to the General Plan and Zoning Ordinance for an M-3 zoning district that would allow more specifically some uses already implied in the General Plan but not allowed in the M-2 zoning district, and that it would also provide for increased Floor Area Ratio (FAR). He said a development agreement would be made with the City that specifically detailed benefits to the City from the project. He said within those amendments the project included a 206-room hotel with an associated 68,000 square foot health club that would offer a range of court and workout facilities, a pool and child care associated with the health club. Additionally the project proposed to construct just less than 70,000 square feet of office space, and under 15,000 square feet of restaurant, café and retail type services. He said the concept of this development proposal was to have a set of uses in an attractive complex that would attract certain knowledge-based and creative-type businesses to Menlo Park. He said there was an opportunity for shared parking because of differences of peak parking times during the day and week related to the proposed uses. He said that the CEQA process would more clearly define the parking. He said regarding the EIR that this was an opportunity for a clear discussion of the benefits and impacts of the proposed project such as aesthetics, traffic and circulation, air quality, and the whole range of topics considered. He said they believed there was a clear economic benefit for the City from the proposed project related to increased general fund revenues from property and sales taxes, hotel taxes, impact fees, Below Market benefits, the new jobs that would come and the new spending from those jobs. He said they wanted to get a shared point of view to build discussion upon and would have the fiscal impact study and environmental review occur together.

Mr. Tom Gilman, DES Architects, said the buildings were oriented on the site to create the greatest energy efficiency with the long axis in an east-west configuration. He said the building skins would be energy-efficient. He said south-facing facades would have more horizontal surfaces that would both provide sunshade and act as light shelves to bounce light further inside the building. He said the buildings were designed to be LEED certifiable and would use sustainable design with cool roofs and energy-efficient skins and HVAC. He said there would be tenant standards related to construction, good air quality, types of finishes and materials to include sustainable materials and recycled content and materials. He said as construction occurred that existing development would be recycled to the greatest extent possible. He showed a western-orientation façade and pointed out the more vertical elements, which would provide shade from the sun. He said they would have onsite bio-filtration swales, storm water cleaning and handling, low flow irrigation systems and use native drought resistant materials and plants. He said within the hotel site sports club facility there would be an acre of open space, and on the Constitution Drive side was another four acres of open space. He said 90 percent of the parking would be in structures which reduced the heat island effect overall and allowed much more usable space for open space and a greener site overall. He said part of the project was to create a human-scale streetscape and would create bulb-out landscape fingers for the on-street parking. There would be a double row of trees along the streets and planters that would give a friendlier look to the street but which also dilated water from building gutters.

Commissioner Bims said the pool seemed quite close to Highway 101 and asked if there was any sound mitigation. Mr. Gilman said there would be a sound wall about eight-feet high. Commissioner Bims said it was a long distance to walk from the office space to the hotel. Mr. Gilman said the distance was about 500 feet but their intent was to make the walk attractive to encourage activity.

Commissioner Pagee asked if the dotted line along Independence and Constitution Drive was the property line. Mr. Erickson said that they were planning to extend the sidewalk onto the property. Commissioner Pagee said the proposed M-3 zoning indicated "0" setback and she thought that the setback could be "10-foot." Mr. Erickson said that the desire for the "0" setback was to allow retail space to have their fronts close to the street. In response to Commissioner Pagee, Mr. Erickson said the elements currently proposed were about 15 to 16-feet from the property line.

Commissioner Deziel asked about the height and number of levels of the parking structures. Mr. Gilman said that they were surface plus three or four levels and the surface plus four levels would be 45 feet high. Commissioner Deziel asked about the entrance for hotel users as it appeared that traveling from Highway 01 they would have to go through the industrial area. Mr. Erickson said a person traveling north on 101 would take the Marsh Road exit and then turn onto Independence Drive.

Commissioner Deziel asked for a description of potential tenants. Mr. Erickson said that it would be professional type uses associated with high-tech. Commissioner Deziel

asked if that would include attorney firms. Mr. Erickson said that it could. Commissioner Deziel asked what market the hotel would serve. Mr. Erickson said it was in a good location in relationship to the airport and businesses on the peninsula. Commissioner Deziel asked what the minimum amount of office square footage was needed to make the hotel work. Mr. Erickson said the health club was also important to the hotel and the office was important to the health club. Commissioner Deziel asked what the minimum amount of square footage of office was needed for the viability of the hotel/health club. Mr. Bohannon said that when the appropriate time came he would have Marriott answer this question. He said they originally made a proposal without a hotel operator. He said Marriott had become involved with the project because of the office space.

Chair Keith asked Mr. Bohannon to share his vision for the project site. Mr. Bohannon said they believed that Bohannon Park as currently configured was antiquated and was not drawing attractive businesses, just tenants. He said regional neighbors were attracting the best kinds of businesses and they wanted Menlo Park to have a space that would attract these types of businesses.

Commissioner Bims said the turn from Marsh Road to Independence Drive was easy to miss if a person was not familiar with area. He said with the current configuration that the hotel should be given a Chrysler Drive address. He said an issue of concern for him was the walking distance between the office and hotel.

Mr. Elias Blawie, Menlo Park, said that the proposal was actually two projects in terms of use and physical separation and that they should be separated. He said he supported the hotel project within reason but not the office tower as presently conceptualized. He said he supported reasonable development within existing zoning but did not support spot zoning or general plan changes. He said that the hotel was not a public benefit as claimed but was a development. He referred to a similar project "Rosewood" and that the office space desired for this project was at least five times greater than what was at Rosewood. He said the changes to the General Plan proposed were non-specific and included a hodge-podge of uses with widely differing impacts, benefits and look and feel. He said the project was materially too dense and add-ons should be under 100 percent not over 100 percent. He said the setbacks were inadequate and the presentation was inconsistent with the plans. He said the question had to be asked as to the impact of an M-3 zone on the M-2 zone. He said the proposed operating agreement was too open-ended and gave too much flexibility in terms of time and use. He said there were not enough retail features being proposed and that parking and traffic would be problems. He referred to nearby University Center that provides spaces for numerous legal firms and he thought that was what this office space would attract. He said each legal firm easily needed five to six parking spaces per 1,000 square feet.

Ms. Anne Moser, Menlo Park, said she had lived in the area for over 50 years and had seen many changes. She said looking at the projected growth figures for the area that

Menlo Park needed to manage growth and not be obstructionist and negative about changes. She said she preferred a local developer who has ties to the community. She said she preferred height with open space to one-story sprawling development. She said Menlo Park should work with neighboring communities to make plans that work and address traffic and public transportation. She said she would like to see some conveniences such as cafes, cleaners, convenience store and personal services on site to diminish the need for transportation to Menlo Park. She said she hoped they could plan reasonably priced housing for support level jobs for the offices and hotel.

Ms. Elizabeth Lasensky, Menlo Park, said the project needed a housing portion and that paying into an in-lieu fee for BMR units would not suffice to help offset the housing needs the project would generate. She said that a lot more shuttles and improved public transit would be needed. She thought the project would be a good neighbor to Bayfront Park and suggested creating an annual fee for the project to pay to offset increased maintenance from the additional use. She said the project was within the character of the 101 corridor; the project would set a standard for development; and would bring good jobs to the area. She said that if the commercial area was not improved, the City would lose valuable businesses and income.

Mr. David Speer, Menlo Park, said Commissioner Deziel had made good comments about the need for public hearings on the project proposal prior to preparation of the EIR. He said that there should be a public hearing to consider the size, scope, and fiscal and environmental impacts to the surrounding properties and businesses. He noted significant proposed changes to the zoning and urged the Commission to look at very carefully at how those might impact now and in the future. He said he had provided copies of his written letter for the Commission.

Mr. Frank Carney, Menlo Park, said his main criticism of the project was that it was just too massive for Menlo Park and would affect the quality of life throughout Menlo Park. He said the project as proposed would put a lot of pressure on the housing stock; housing needs would increase impact on the schools and demand for City services. He said the project would be fine for Santa Clara or Sunnyvale. He said the project needed to be pared way back.

Mr. Morris Brown, Menlo Park, said he agreed with much of what Mr. Carney said. He said that ABAG indicated the City was behind in housing stock by 957 units and bringing in 2,000 new jobs would really increase that need. He said he thought the project was just too big and that the project surrounded two different 15-acre parcels, which he thought, should have flexibility when they wanted to develop. He said the community should decide whether a project of this scale was wanted and he said he thought an election and voting on the project would be a good idea.

Chair Keith closed the public comment period.

Commission Comment: Chair Keith said Commissioner Deziel had prepared a statement, and asked if he would like to begin comments. Commissioner Deziel said he had issues with the changes proposed to the General Plan and Zoning Ordinance. He said the developer and property owner wanted to improve his property, but the changes to the zoning ordinance were too specific to this project and should be available as a planning tool for others in the future. He said he believed it was a good principle and good for the City to give greater intensity to properties that produce greater revenue in the industrial districts. He said the purpose of the industrial districts was to generate revenue and jobs. He said that looking at a map of Menlo Park he could identify four areas in the M-2 district that might benefit from this proposed zoning change and provide benefit to the City too. He said if there were four of these new districts and those could generate enough revenue to make up for the shortfall the City is experiencing in its M-2 districts then perhaps other M-2 properties might be freed up for housing. He said if the four hypothetical projects were located on both sides of Marsh Road and Bayfront Expressway, Willow Road and Bayfront Expressway, and another somewhere along Willow Road, that would free up about 100 acres in the M-2 district that could accommodate up to 2,500 residential units. He said with the proposal before them that the hotel was a high revenue maker and the office use diluted the revenue percentage as it was non-revenue generating. He said this proposal was offering an opportunity to determine what generation of revenue per square feet would merit M-3 zoning. He reviewed his prepared statement that outlined revenue generation per square foot for various uses ranged from \$1.00 to \$8.00 per square foot. He said this project would deliver about \$2.41 per square feet with about 174,000 square feet of hotel/health club. He asked what number would be parity for the applicant to receive M-3 zoning. He said he considered the concept of having four projects like this proposal and calculated that \$2.48 per square foot revenue would cover the City's shortfall from the M-2 districts. He said there was a calculus to go through to recover the revenue that the City used to get from the M-2 districts. He said a target revenue for a project like this was \$2.50 to \$3.00. He said if the policy embedded in the M-3 District in the General Plan called for a revenue threshold that would look like about \$3.00 per square foot for the City.

Commissioner Deziel said the M-3 zoning district definition should not be specific to just this project; the parking should not be custom; and the parking-sharing should be more flexible. He said the hotel should just be a portion of total FAR and the height should be generalized. He said M-3 should be made a generally usable district. He said that he thought other parcels should be looked at for addition to the General Plan map. He said that the project proposal should not leave the General Plan and Zoning Ordinance in any worse condition.

Commissioner Bims said that Commissioner Deziel had done a good analysis of the project. He said it was a good point to take this opportunity to look at ways to modernize the general plan and zoning ordinance; to manage growth projections and meet the housing and jobs ratio needs. He said the location of the project was excellent as it was near 101 and Bayfront Expressway. He said there was tension between

bringing jobs to Menlo Park and intensifying the housing needs. He said Google started in Menlo Park but when it grew it had to move out of Menlo Park. He said they should consider the growth pattern of businesses and provide space for different levels of development. He said the intensity at this location could protect other parts of the City for open space. He said that hotels as an island do not really work and thought the hotel being proposed next to office space was a good idea but it was not clear how much office space was needed. He thought the hotel perhaps should be larger. He suggested changing the Independence Drive layout and make that the Bayfront Expressway layout and make the Bayfront Expressway layout the Independence Drive layout. He said that would increase visibility of the hotel from Bayfront Expressway, allow for increased hotel size and have the primary entrance from Bayfront Expressway onto Chrysler Drive.

Commissioner Riggs said the project has a lot of potential but raises a lot of questions. He said there was a downside to the location in terms of transportation. He said that Caltrans had removed a functioning cloverleaf at Marsh Road about nine years prior to create two t-intersections with traffic lights. He said that the design could stack more cars up but it became really backed up during peak traffic times. He said adding 1,800 more jobs in this area would create a transportation disaster. He said more jobs could mean more spending in Menlo Park but would benefit Redwood City and Palo Alto just as much. He said the City needs good solid retail to be included in the proposal. He said he had no objections to the hotel, its revenue and the proposed architecture. He had some concerns about the sound wall and the vibration on the opposite side. He said about every 10 years a new office building is built and eventually there's a glut of office space. He estimated the next glut would be in about five years when this project would be completed. He said there was a lot of attention to the proposed 140-feet for the office space. He said it was not necessary to have eight stories of office building to build to 140-feet. He said 17-foot floor to floor was what was wanted for retail. He said there had to be another reason for the height. He said the City has a housing shortage, and did not need more \$1,000,000-plus homes reasonably priced housing for support and service workers. He said employees living elsewhere and working in Menlo Park would create more traffic impacts. He said that he would like to see more housing but he did not want the M-2 district to be phased out. He said housing was needed for the people who drive the engine and transportation was needed to move them around.

Commissioner Pagee said M-3 zoning should not be specific to this project and setbacks should be realistic. She said she would like high floor to ceilings in her work but they were not needed and 140-foot high was too much height for the office structure. She said that if the applicant sought LEED certification that the workers needed services onsite. She said there needed to be something to bring people from here to downtown Menlo Park. She said related to the office square footage and the hotel square footage that the City needed tax revenue from hotel more than the rent from the office space. She said she liked Commissioner Bims' idea to flip the hotel layout. She said that would give the pool users a better view and quieter environment.

She said City residents were not saying “no” to the project but asking that it be improved.

Chair Keith said the ratio of jobs to housing was critical to look at. She said the height of the project had originally surprised her and she still had not accepted it. She agreed with Commissioner Deziel that there should only be enough office space to support the hotel. She said it was important to upgrade the property and increase productivity, but she was not sure this proposal was exactly what was needed. She said that traffic would be a very important component of the EIR. She said it would be very important to get housing in the area. She said that Commissioner Bims’ idea to have residential space at the hotel was interesting.

Commissioner Bims suggested that shuttles such as those that run from Sand Hill to downtown would solve the issue of connecting this site to downtown.

Commissioner Deziel said that the parking garage was located too close to Independence Drive and Independence Drive might be lost if Caltrans solved the traffic problem at this location and put in an overpass. He said housing was needed as a benefit for the City and that M-2 might be freed up to allow residential in this area. He said those houses would add to Belle Haven community and create enough population for a major grocery store there. He said having more homes would free up traffic. He said he also liked the idea of flipping the layout of the hotel so it could be larger or finding another way to increase the revenue from the project.

Commissioner Riggs said he wanted to support Commissioner Deziel’s idea about expanding the opportunity for M-3 zone designation. He said how the project would be phased was also very important to the City.

Summary of Commissioners’ comments:

- Suggested that the development may improve if the sites were flipped, so that the hotel, shared parking, and office building are on the Constitution Drive site, and the two office buildings and two parking structures are on the Independence Drive site.
- Questioned in particular the current proposed location of the hotel/health club pool near US 101.
- Noted that the proposed M-3 development regulations do not exactly match the current project plans, in particular with regard to the permitted front setback.
- Questioned the need for the proposed amount of office square footage.
- Questioned the structure of the proposed General Plan and Zoning Ordinance amendments, in particular the M-3 district linkage to the specific parcels that are part of this development proposal.
- Suggested that alternate zoning ordinance amendments could help facilitate additional hotel-office developments and, by extension, housing development

in other M-2 areas. Such housing development could have additional benefits, such as attracting a full-service grocery store to the area northeast of US 101.

- Presented an alternate fiscal analysis model.
- Questioned how the project affects jobs-housing balance.
- Noted that the location would likely be desirable for many potential tenants, with good US 101 and Dumbarton Bridge access.
- Noted that the proposed office space could provide home for growing companies that would otherwise leave the City of Menlo Park
- Noted that some newer hotels incorporate residential ownership components.
- Suggested that allowing higher-intensity development in the proposed location could ease development pressures elsewhere, allowing open space to be preserved.
- Noted that US 101/Marsh Road interchange already suffers from congestion, particularly during evening commute hours, and that the addition of so many new jobs would likely exacerbate that.
- Noted that consumer spending from office/hotel users would likely go to Redwood City and Palo Alto, as opposed to Menlo Park.
- Complimented the architecture of the proposed buildings.
- Noted that office space has regularly been overbuilt in the past and the proposed development could contribute to an upcoming glut.
- Noted that provision of housing within a reasonable distance for lower/middle-income workers would be necessary.
- Suggested that the proposed maximum height of 140 feet may be unnecessarily high for an eight-story building.
- Noted that the area is not well-served by public transit.
- Noted that not many service uses are located nearby, which may negatively affect LEED certification.
- Noted that scale, particularly height, is unusual relative to current conditions.
- Complimented the proposal in general for proposing a significant improvement to the properties.

ADJOURNMENT

The meeting adjourned at 11:07 p.m.

Staff Liaison: Deanna Chow, Senior Planner

Prepared by: Brenda Bennett, Recording Secretary

Task 1. EIR Project Initiation/Project Management

Purpose: Re-Initiate the EIR effort and discuss new and revised issues, new data, and the schedule for completion of individual tasks; management of project staff and work flow; ongoing coordination with City staff and team.

Discussion: EIP will meet with City of Menlo Park staff and the project sponsors' team to reinitiate the process. This meeting will be beneficial to better understand the revised project application and to reach a consensus on the next steps and the overall schedule. Specifically, we envision the meeting will be an opportunity to:

- Discuss new data needs to complete the EIR (recognizing data already collected for prior project description and ADEIR)
- Compare new and prior issues from the public and City Council perspective
- Confirm approach to EIR if ZOA/GPA is only for Bohannon-owned parcels (vs. option to encompass former project area)
- Identify any new background material not already provided
- Review and agree on schedules and deadlines (including key junctures for meetings with City staff)

In addition, this task is intended to cover ongoing project management, allowing for communications with the City's project manager, preparation of monthly progress reports, and ongoing coordination among team members.

City Involvement: Participation in EIR re-initiation meeting, and collection of any new information.

Task 2. EIR Project Description/Revised Notice of Preparation

Purpose: Update the project description and draft an updated Notice of Preparation (NOP), based on discussions with project sponsor team staff, input from City staff, and review of the revised application materials.

Discussion: EIP will update the project description in the ADEIR to reflect the new application. In order to accurately reflect the new project application and revise the impact assessment appropriately, the

following information is sought from the project applicant:

- Electronic version of revised site plan and elevations
- Revisions to any information previously provided regarding site plan, building use and description, floor areas, setbacks, lot coverage, employment, project features, architectural design, massing concepts, and construction materials
- Phasing and construction scenario, to the extent known
- Revisions, if any, to project sponsor's objectives
- Changes, if any, to entitlements sought by project sponsor and required permits and approvals.

Based upon this description, it is recommended that an amended NOP also be distributed. If the City agrees, EIP will draft an amended NOP for 30-day re-circulation.

Deliverables: Draft Project Description and amended NOP.

City Involvement: Review and distribution.

Task 3. Revise Impact Assessment and Recommended Mitigation Measures

Purpose: To update the impact analyses and mitigation recommendations.

Discussion: For this task, there are two principal activities revise baseline conditions and conduct the impact analyses for the new proposal. Specifically, EIP will:

- Revise the existing baseline conditions presented in the setting sections of the ADEIR (January 2006) to reflect City comments on the ADEIR and to adjust as necessary to reflect the smaller project "footprint."
- Perform the impact analyses, make determinations of impact significance, and recommend mitigation measures to reduce impacts, where and if needed for the revised project.

We have already collected information regarding the following baseline issues and the data were current as of fall 2005:

- the height and scale of the surrounding development pattern;
- existing land uses and applicable General Plan policies;
- existing employment;
- traffic and circulation;
- noise and air quality;
- hazardous materials and emergency response;
- flood hazards;
- police and fire services; and
- utilities.

The City will inform EIP of any major changes to these baseline conditions in the project area. Otherwise, EIP's prior data collection efforts will be assumed to provide an adequate foundation to define the potentially significant impacts, taking into account the revised project description and reduced project area.

The updated impact analyses will be based on the same methodologies and techniques used in the first ADEIR, unless otherwise indicated by City comments on the ADEIR. The scenarios evaluated in the ADEIR will be modified since presumably there is no longer a separate GPA/ZOA for lands not covered by the specific development application being submitted by Bohannon.

The following task descriptions contain much of the original scope to provide a comprehensive overview to the impact methodology and the types of mitigation measures to consider, by environmental issue. The focus will be to refine the analyses in the previous ADEIR to respond to City staff comments and to reflect the current development application by Bohannon.

Task 3.1 Land Use. The project involves an amendment to the City's General Plan land use and intensity standards. The long-term land use implications and compatibility with surrounding research and development/office space are important considerations. Additionally, the introduction of a visitor population at the hotel site, considered a sensitive receptor, into an industrial area may trigger questions regarding land use compatibility - questions that will be addressed in the EIR. Based on prior site visits, revised site plans and profiles provided by the

applicant, EIP will revise the draft Land Use section to evaluate the new project impacts in:

- The compatibility of the proposed land uses with uses along the perimeter of the site, which are primarily research and development uses, although professional uses, like the Latham Watkins law office, are also commonplace
- The proposed increases in height, bulk, and development intensity at the project site, with the surrounding land uses
- Consistency with adopted City planning policies and goals, an important consideration since the proposal would require a General Plan Amendment; would change the development intensity at the site; and would propose a use different than previously envisioned.

Depending on the land use impacts, potential mitigation measures could include modifications to building orientation/design, and landscaping/lighting recommendations to buffer/screen adjacent uses.

Task 3.2 Visual Quality. The project site lies in a visually prominent area. The Constitution Properties align with Bayfront Expressway at the Marsh Road intersection which has high levels of traffic. The Independence Properties align US 101 at the Marsh Road interchange. The highly visible project site, combined with the proposed greater intensity of future uses, indicate that the proposed office and hotel operations will visually contrast with the predominantly one- to two-story development pattern surrounding the project site. The revised site plan and profiles will be used to update the visual analysis. As in the first version of the ADEIR, the focus of the assessment will be on changes to the existing built fabric, building height and massing compatibility with surrounding development, and potential loss of trees on and around the project site.

New visual simulations of the proposed project and its conceptual design will be prepared by Square One Productions at the direction of the City and EIP. Square One will revise the four simulations prepared previously using current Autocad or other appropriate electronic files from the project applicant.

Task 3.3 Traffic and Parking. DKS, Transportation Consultants, has revised their scope of work for evaluation of the proposed project. This scope has been separately submitted, but it is expected

that the proposed traffic study will become a background report to the EIR, will serve as the basis for the EIR transportation and circulation section, will provide the necessary information to evaluate noise and air quality impacts, and will satisfy the requirements of the San Mateo County Congestion Management Agency for a traffic impact analysis. In addition to the traditional traffic analysis for local intersections and nearby freeway segments and ramps, the DKS study is expected to address localized ingress and egress and onsite circulation safety, parking and loading, pedestrian and bicycle circulation, and construction impacts.

Task 3.4 Noise. The noise environment in the vicinity of the project site is dominated by traffic on US 101, aircraft flights, and local traffic related to the adjoining industrial areas. The EIR noise analysis will previously identified noise impacts caused by construction and operation of the facilities based on the new project description. The influence of the existing noise environment on the uses proposed needs to be assessed as well, particularly for the hotel proposal, since this use could be considered a sensitive receptor, where resident populations are sensitive to the ambient sound levels.

Construction Phases. EIP will qualitatively re-evaluate potential noise impacts from construction phases of the proposed project, provided that the applicant can supply us with a revised construction plan. Typical construction equipment noise levels will be reported for each phase of construction, and we will then project sound levels to the nearest existing sensitive receptors. Best management practices to control construction noise and alternatives to pile driving will be presented to mitigate the short-term effects of the project.

Operations. Noise from routine operation of the proposed office and hotel uses would come from new project traffic, orientation of new of mechanical equipment on the property, and nuisance noise sources such as loading/unloading. Since the surrounding uses have similar mechanical equipment and loading/unloading activities, and the site is bounded by the Bayfront Expressway and US 101, it is not expected that project-related noise would disturb nearby uses. Furthermore, the City's Noise Element considers commercial and industrial uses to be normally acceptable if the noise environment is 70 dBA Ldn or less. Noise measurements for the City's Noise Element show the industrial area just to the north across Marsh Road has ambient conditions to be in the high 60s. Accordingly, it is not expected that

the proposed land uses would be incompatible with the noise environment. Nevertheless, to reevaluate noise levels from project and future traffic at affected sensitive receptors, EIP will use the US Department of Transportation's FHWA Highway Traffic Noise Prediction Model, initialized with CALVENO vehicular noise emission rates and site-specific traffic data from DKS. If significant impacts are identified, mitigation measures will be presented and may include shielding or noise insulating construction techniques.

Finally, the EIR will comment on the effect of introducing a hotel and visitors into an industrial environment, marked by freeway noise and airport operations. This assessment will take into consideration state standards for interior sound levels.

Task 3.5 Air Quality. The revised air quality analysis will focus on three basic components:

- A review of effects caused during construction phases, including potential dust emissions during demolition of existing structures, and ground disturbance during site preparation;
- An analysis of new emissions caused during occupation and use of the project area; and
- An analysis of local ambient CO impacts (if heavily congested traffic conditions are predicted).

In all cases, the method of analysis and selection of significance thresholds will continue to rely on methodologies that are documented in the BAAQMD CEQA Guidelines, revised in 1999.

Estimates of the new motor vehicle emissions associated with project-related trips will be prepared using the Air Resources Board's most current URBEMIS model. This model will provide a quantitative assessment of project emissions from all motor vehicle trips generated by the project. The results will be compared to the BAAQMD's quantitative thresholds for a significant impact.

Odors are not expected to be a concern, although future development would involve include waste handling facilities and food services, which can disturb neighboring uses. The analysis of potential odor impacts will be qualitative.

The potential of the project-related motor vehicle trips to cause localized carbon monoxide "hot spots" will be evaluated at the same intersections as in the previous ADEIR, since they were the most severely impacted intersections within and around the project site. The Air Resource Board's CALINE4 dispersion model will

be used to model the effects of project-level carbon monoxide at four of the worst performing intersections affected by the project during either weekday AM or PM conditions, for 1-hour and 8-hour averaging times. The modeled ambient carbon monoxide concentrations will be compared to the state and federal air quality standards.

Where appropriate, strategies for mitigating the effects of increased regional emissions, odors, or carbon monoxide will be identified.

Task 3.6 Hydrology and Water Quality. The proposed project would replace existing commercial uses and add hotel/resort uses within the project area. These changes could increase impervious surfaces or replace existing impervious surface that could alter the rate or amount of stormwater runoff; expose structures or people to flooding risks; and alter drainage patterns and the amount and type of pollutants in stormwater runoff.

The Hydrology and Water Quality Section of the EIR will be modified to reflect the new project footprint and respond to City staff comments on the ADEIR with particular emphasis on:

- Analysis of expected impacts to the volume and rate of stormwater runoff, based on findings in the technical report (if available), site drainage plan, site plan, and additional data provided by the City/applicant, including potential impacts of changes to surface water hydrology.
- Analysis of potential water quality impacts using national NPDES program data for determination of potential pollutant types, concentrations, and loads from the existing and proposed land use or City/applicant information, if available. This analysis would include an effectiveness assessment of the planned stormwater Best Management Practices (e.g., biofilters and swales), if any, included as part of the project design.
- Analysis of all potential flooding impacts of the project, including alterations in flood flow conveyance and risks to structures and people.

Task 3.7 Public Services and Utilities. The additional development associated with the proposed project would be assessed to determine if that increment might cause impacts for police, fire, and utilities. Because of the size and nature of the buildings, there could be increased calls for police and fire service. The revised impact assessment will review whether the new project description will modify demand for services relative to the earlier description

and whether it could translate into the need for new or altered facilities, the construction of which could cause significant environmental effects.

Based on this information, EIP will compare the demand for public utilities against the available supply and identify in the EIR whether there might be constraints to satisfying the project's long-term utility requirements. This task also includes the previously submitted Water Supply Assessment, prepared pursuant to SB 610.

City Involvement: Provide any new background materials, plans and regulations. Participate in up to two meetings with the consultant team regarding project progress and details.

Task 4. Project Alternatives and Required CEQA Considerations

Purpose: To complete drafts of the remaining sections of the EIR for City staff review.

Discussion: This task involves preparation of other required sections examining particular aspects of the project's effects and the identification and comparison of project alternatives.

Task 4.1 Other CEQA Considerations. This task involves documenting unavoidable adverse impacts, growth-inducing effects, cumulative effects, and effects found not to be significant of the revised project:

- The unavoidable effects will be summarized from the analyses performed in Task 3;
- Growth-inducing effects will be based on economic multipliers for the proposed uses (these multipliers provide information on direct and induced growth and were developed by the Association of Bay Area Governments for the regional input-output model), as well as comparisons with ABAG 2005 projections for the City;
- Cumulative effects where relevant will be addressed in Task 3 and summarized as part of this section of the EIR; and
- Effects found not to be significant will reference the Initial Study and add any additional topics based on the analysis conducted during Task 3.

Task 4.2 Alternatives. The alternatives to the proposed project must serve to substantially reduce impacts identified for the proposed project while feasibly attaining most of the project objectives. In the

prior ADEIR, three alternatives were defined and qualitatively evaluated: 1) the No Project (No GPA) Alternative; 2) the “Reduced Intensity” Alternative; and 3) the Environmentally Superior Alternative

The existing alternatives will be reviewed and revised according to their ability to reasonably attain the project sponsor objectives and for their environmental effects. In addition, EIP proposes to add one more alternative to the three existing ones, based on input from City staff and review of the new impact assessment. The comparison will focus on the key differences among the project alternatives to provide decision-makers with an understanding of the key environmental tradeoffs. These differences are expected to concern traffic, utility demand, and land use impacts.

City Involvement: Participate in discussions to review and augment project alternatives.

Task 5. Administrative Draft EIR

Purpose: Prepare an Administrative Draft EIR for City staff review.

Discussion: EIP will revise the prior ADEIR for City staff review. The document will incorporate the baseline conditions data, as well as impact analysis and mitigation sections from Task 3, plus the alternatives and other CEQA considerations from Task 4. The ADEIR will address comments made by City staff on the previous document and adjust the discussion to reflect the new project application.

Deliverable: Up to ten copies of the Administrative Draft EIR.

City Involvement: Review of administrative draft materials.

Task 6. Prepare Draft EIR

Purpose: To prepare and submit the Draft EIR to the City for distribution to the public.

Discussion: Based on the comments received from City staff, the EIP team will revise the Administrative Draft EIR as necessary. It is expected that the City staff’s review will concentrate on the accuracy of the existing conditions, the complete characterization of the impacts, and the appropriateness of the recommended mitigation measures. The revised document will be a Screencheck Draft EIR, fully in compliance with State CEQA Guidelines and the City guidelines. As part of this task, EIP will complete the Summary of the document. The impacts and mitigations will be presented in a table that identifies each impact and its

significance, the proposed mitigation, the level of significance following adoption for the mitigation measures. Those impacts remaining significant with implementation of the mitigation measures would be acknowledged as unavoidable significant effects for which Statements of Overriding Considerations would be required prior to approval of the project. In addition, the Summary will contain descriptions of “Areas of Controversy” and “Issues to be Resolved,” as required by CEQA.

Following staff’s final check, EIP will finalize the report, reproduce the Draft EIR, and submit the copies to the City for distribution to parties other than the State Clearinghouse. This scope assumes the City will be responsible for submitting the Draft EIR to the State Clearinghouse.

Deliverables: (1) 100 copies of the Draft EIR; (2) one unbound camera-ready original; (3) one disk version in both MS Word and pdf; and (4) Notice of Completion.

City Involvement: Administer distribution and noticing of Draft EIR availability.

Task 7. Public Review and Hearing

Purpose: To participate in a public meeting providing an opportunity for interested community members and agencies to review and comment on the Draft EIR.

Discussion: The City will provide for a 45-day period during which the public will have an opportunity to review, digest, and comment on the Draft EIR. During the 45-day review period, the City will hold a public hearing to receive comments on the Draft EIR. EIP key team members will attend and participate as requested.

City Involvement: Distribute documents, accept comments, and hold public meeting.

Note that the following tasks indicate how the environmental review process will be completed for the proposed project. The City and EIP recognize that the level of effort, associated budget, and schedule for completion for the following tasks are speculative at this point and can only be finalized once comments on the Draft EIR have been received. Accordingly, while the following tasks are presented, they have not been included in our companion cost estimate.

Task 8. Prepare Draft Responses to Comments

Purpose: To prepare responses to the comments received on the Draft EIR, and incorporate these responses into an Administrative Final EIR for City review.

Discussion: All substantive comments for each written and oral comment will be individually addressed. Prior to preparing responses, EIP will meet with staff to review the comments and suggest strategies for preparing responses. This step is desirable to ensure that all substantive comments are being addressed and that the appropriate level of response will be prepared. The product of this task will be a Responses to Comments document that:

- Lists the commentors
- Presents responses to substantive comments
- Revises the Draft EIR as necessary in response to comments
- Reproduces the comment letters and transcripts/minutes of the public hearing.

Deliverable: Five copies of the Draft Responses to Comments.

City Involvement: Review and comment on draft responses; assist with response to comments on process, procedures, and City policy.

Task 9. Prepare Final EIR

Purpose: To prepare a Final Responses to Comments document for City Council certification.

Discussion: Based on comments received from City staff, the Draft Responses to Comments will be revised and appropriate revisions to the Draft EIR will be noted. The Final EIR will then consist of the Draft EIR and the Responses to Comments document. The revised Responses to Comments document will be submitted to the City for discussion by the Planning Commission and subsequent certification by the City Council.

Deliverable: 50 copies of the Final Responses to Comments.

City Involvement: Participate in strategy session to provide guidance on the responses to comments.

Task 10. Certification Hearings

Purpose: To attend meetings to certify the EIR.

Discussion: Team members will attend and participate in up to three meetings to certify the EIR. If requested by City staff, EIP will present the conclusions of the EIR and a summary of the comments and responses.

In addition, as part of this task, EIP will prepare a draft and final Mitigation and Monitoring and Reporting Program for the project, as required by

Section 15097 of the State CEQA Guidelines. Key components of the program will be identified in a tabular format:

- The mitigation measures to be implemented
- The entity responsible for implementing a particular measure
- The entity responsible for verifying that a particular measure has been completed
- A monitoring milestone(s) or action(s) to mark implementation/completion of the mitigation measure

Deliverable: Five copies of the Mitigation Monitoring and Reporting Program.

City Involvement: (1) Organize, announce, and conduct meetings; and (2) review and comment on the draft Mitigation and Monitoring and Reporting Program.

Schedule

Assuming receipt of the data requested in Tasks 1 and 2, a preliminary schedule and workflow is proposed as follows:

<i>Task/Milestone</i>	<i>Completion Date</i>
Revised Data Collection/ New Project Description	End of Month 1
Revised Existing Conditions/ Impact Analysis (assuming that DKS has completed its transportation analysis by the end of Month 2	Month 2.5
Administrative Draft EIR	Month 3.5
<i>Staff Review</i>	Early Month 4
Draft EIR	End of Month 4
<i>Public Review</i>	Month 6.5
Draft Responses	Early Month 7
<i>Staff Review</i>	End of Month 7
Final Responses	Early Month 8
Certification Hearings	Late Month 8

Cost Estimate

Preliminary cost estimates are presented in the cost spreadsheet on the following page.

Bohannon Office/Hotel Mixed Use General Plan Amendment EIR															
EIP Preliminary Cost Estimate (Revised 4-11-07)															
		Project Director	Project Manager	Deputy Project Manager	Environmental Professional	Senior QA/QC Transportation/Noise/Air Quality	Associate Scientist Noise/Air Quality/Hazmat	Senior Scientist Geo/Hydro	Administrative II Word Proc./Accounting	Administrative II Graphics/Support	Hours Per Task	Cost Per Subtask	Cost Per Task		
Task 1	Project Initiation/Project Management	4	24	16							44	\$ 6,060	\$ 6,060		
Task 2	Revised Project Description/NOP	2	16	4					8	8	38	\$ 4,570	\$ 4,570		
Task 3	Revise Setting, Impacts, and Mitigation Measures												\$ 23,430		
Task 3.1	Land Use		4		12						16	\$ 1,680			
Task 3.2	Visual Quality		4		16						20	\$ 2,040			
Task 3.3	Traffic and Parking		4			12					16	\$ 2,400			
Task 3.4	Noise		4			2	16				22	\$ 2,580			
Task 3.5	Air Quality		2			2	16				20	\$ 2,280			
Task 3.6	Hydrology and Water Quality		4			4	16				24	\$ 2,880			
Task 3.7	Public Services and Utilities (incl. revised WSA)		4		32			42			78	\$ 9,570			
Task 4	Alternatives and Other CEQA Required Sections												\$ 7,450		
Task 4.1	Other CEQA Sections		6	8							14	\$ 1,740			
Task 4.2	Alternatives	2	12	12	16		2	2		4	50	\$ 5,710			
Task 5	Administrative Draft EIR												\$ 24,740		
Task 5.1	Administrative Draft EIR #1 (and Final WSA)	4	24	24	20	4	2	16	40	12	146	\$ 16,390			
Task 5.2	Screencheck Draft EIR	2	16	16	12				24	8	78	\$ 8,350			
Task 6	Draft EIR	2	8	8	20				20	4	62	\$ 6,350	\$ 6,350		
Task 7	Public Review and Public Hearing	6	12	8							26	\$ 3,810	\$ 3,810		
	Total Hours	22	144	96	128	24	52	60	92	36	632				
	Hourly Rate	\$ 195	\$ 150	\$ 105	\$ 90	\$ 150	\$ 105	\$ 145	\$ 90	\$ 80					
	Total EIP Labor	\$ 4,290	\$ 21,600	\$ 10,080	\$ 11,520	\$ 3,600	\$ 5,460	\$ 8,700	\$ 8,280	\$ 2,880		\$ 76,410	\$ 76,410		
	Expenses												\$ 22,265		
	Square One Productions - Visual Simulations											\$ 8,900			
	Printing/Xerox											\$ 12,000			
	Travel/Miscellany											1,365			
	EIP Administration Fee (10%)												(10% on subs and expenses) \$ 2,227		
	Costs to Complete DEIR*												\$ 100,902		
	TOTAL BUDGET Less remaining budget as of 4/1/07 (\$13,429)												\$ 87,473		
*Costs associated with Tasks 7, 8, 9, and 10 will be determined in consultation with City staff following circulation of the DEIR.															

April 9, 2007

Mr. Thomas Rogers
Associate Planner
City of Menlo Park, Community Development Department
701 Laurel Street
Menlo Park, CA 94025

**Subject: Proposal for an EIR Traffic Study
Bohannon East Project – Revised April 2007**

P05121-000

Dear Mr. Rogers:

DKS Associates is pleased to submit this revised proposal for a traffic study of the proposed Bohannon East project on Constitution Drive and Independence Drive in Menlo Park, CA. The scope of work reflects updated project information provided to DKS by Menlo Park staff, our knowledge of the study area and experience with many similar studies.

The workscope should be reviewed by City staff prior to DKS beginning work on this project. DKS may need to modify the scope and budget estimate after receiving comments on the work program.

PROJECT APPROACH

The proposed project includes a mix of uses on various parcels fronting either Independence Drive or Constitution Drive. The EIR traffic study will be used to determine the potential impacts that the proposed project and its alternatives will have on local and regional traffic.

ASSUMPTIONS

Please note that in developing the above-noted workscope, we have assumed the following:

- City staff shall provide recent traffic data (CSA and other data) and an updated list of all area developments (near-term and far-term) to be considered in the analysis scenarios including their development types and area square footage;



1000 Broadway
Suite 450
Oakland, CA 94607

(510) 763-2061
(510) 268-1739 fax
www.dksassociates.com

- All study scenarios will be evaluated based on existing intersection geometrics. Should significant impacts be determined with the proposed project development, mitigation measures which may include changes to the intersection geometrics will be recommended;
- Any modifications to the site plan, driveway locations or project description once DKS has begun the traffic analysis would constitute a change in work scope and/or budget;
- DKS staff will attend up to six (6) meetings, including project meetings and public hearings. Additional meetings beyond these six will be considered extra work and can be arranged on a time-and-materials basis.

Scope of Work

The following tasks will provide a traffic impact analysis that meets current City of Menlo Park and San Mateo County Congestion Management Program (CMP) requirements, and provide focused information on the proposed project.

Task 1: Data Collection and Field Reconnaissance

The data collection will consist of daily and peak-hour intersection turning movement counts. Turning movement counts at the unsignalized intersections will be collected as part of this project. It is assumed that existing intersection traffic count data at the signalized intersections will be provided by City of Menlo Park staff to DKS, for a fee of \$3,600 (i.e., from the City's most recent Circulation System Assessment (CSA) or other recently completed traffic studies in the area) for the AM and PM peak periods. The signalized study intersections include the following:

Signalized Intersections

1. Bayfront Expressway/University Ave
2. Bayfront Expressway/Willow Rd
3. Bayfront Expressway/Chilco St
4. Bayfront Expressway/Chrysler Dr
5. Bayfront Expressway/Marsh Rd
6. Marsh Rd/US 101 NB Off-Ramp
7. Marsh Rd/US 101 SB Off-Ramp
8. Marsh Rd/Scott Dr
9. Marsh Rd/Bohannon
10. Marsh Rd/Middlefield Rd (Atherton)
11. Marsh Rd/Bay Rd
12. Willow Rd/Hamilton Ave
13. Willow Rd/Ivy Dr
14. Willow Rd/O'Brien Dr
15. Willow Rd/Newbridge St
16. Willow Rd/Bay Rd

Turning movement counts at the unsignalized intersections would be collected as part of this project. The unsignalized intersections included in this analysis are:

Unsignalized Intersections

17. Independence Dr/Marsh Rd
18. Independence Dr/Constitution Dr
19. Independence Dr/Chrysler Dr
20. Constitution Dr /Chrysler Dr
21. Constitution./Chilco St

Off Site Surveys

Included in the data collection will be a detailed driveway survey at a facility similar to the proposed Hotel/Health and Fitness Spa at a location to be determined within the Bay Area. As part of the off-site survey, DKS will estimate the trip generation rates to and from the combined site, and provide a comparison of the combined land use trip generation rates with cumulative estimates based on individual, stand alone sites.

Field Reconnaissance

DKS staff has already conduct field visits during the AM and PM peak periods on a typical weekday (Tuesday, Wednesday or Thursday). DKS observed:

- Traffic patterns and circulation in the site vicinity
- Study intersection lane geometrics
- Traffic control
- Pedestrian circulation and facilities/amenities
- Proximity of public transit service
- Sight distance issues at study intersections
- Potential access issues

It is assumed that these issues have not changed since our most recent evaluation.

Task 2: Traffic Report Preparation

Background Trip Generation and Distribution

Background related traffic will be based on planned and approved projects based on the most current list provided by the City of Menlo Park. Several projects on the City's most current list are not included in the most recent CSA, and would need to be added to the background scenario. DKS will use standard trip generation rates published in the most recent edition of the Institute of Transportation Engineers (ITE) *Trip Generation Manual*. The distribution and assignment of the background trips will be based on the City's TIA Guidelines. Based on discussions with City Staff, approximately three to five development

projects are planned that may not be included in the upcoming CSA. We have assumed that we will add data for up to five projects that are not included in the CSA.

Project Trip Generation and Distribution

DKS will estimate trip generation rates based on the detailed traffic survey to be conducted at a similar site (for the hotel/health and fitness spa), as well as standard trip generation rates published in the most recent edition of the Institute of Transportation Engineers (ITE) Trip Generation Manual. As part of the off-site survey, DKS will determine a trip reduction factor that incorporates the potential to attract walking trips from adjacent or nearby uses as well as combined trips from other uses within the site. DKS will also compare the estimated trip generation rates and factors to other published rates for similar mixed or shared uses facilities. All trip generation rates and any reductions would need to be approved by staff prior to be used in the analysis.

The distribution and assignment of the project trips will be based on the assumptions used in the City of Menlo Park's TIA Guidelines as well as recently conducted traffic studies, the prevailing travel patterns on the adjacent roadway network, abutting land uses, travel time characteristics and our knowledge of the study area. If applicable, DKS will evaluate whether there will be any potential trip reduction resulting from any proposed Transportation Demand Management (TDM) measures.

Study Intersection Traffic Analysis

The AM and PM peak hour operational Levels of Service (LOS) will be analyzed at the study intersections. Based on discussions with City Staff, the following scenarios will be analyzed:

1. Existing Conditions
2. Near-Term Conditions (Existing Conditions + Approved/Planned Developments, plus 1% per year ambient growth for five years, i.e. 2012)
3. Project Conditions (Near-Term Conditions + Specific Development Proposal,)
4. Long Term Conditions with No Project Alternative (Near-Term Conditions, assumes 1% growth per year from year five to year 18, i.e. 2025)
5. Long Term Conditions with Project (Long Term Condition + Specific Development Proposal)

All study intersections will be evaluated during the AM and PM peak hours using the TRAFFIX software and the Highway Capacity Manual methodology. This traffic analysis will permit estimates of average vehicle delays on approaches that experience LOS "F" conditions. For any impact found to be significant, we will determine the traffic contribution from the proposed project. Should analysis of additional scenarios be requested, including analysis of area-wide zoning changes, a modification to this scope and budget may be requested for additional work.

Arterial and Collector Streets Assessment

DKS will estimate the daily traffic on nearby minor arterials , and Constitution Drive from Chrysler to Chilco) and collector streets (Chilco Street from Constitution to Bayfront) and estimate whether the proposed project would result in a significant impact under the City's significance criteria. The following roadway segments would be included in the daily traffic analysis:

1. Marsh Rd from Bay to Middlefield*
2. Marsh Rd from Bohannon to Bay*
3. Marsh Rd from Scott to Bohannon*
4. Constitution Drive from Independence to Chrysler
5. Constitution Drive from Chrysler to Chilco*
6. Independence Drive from Constitution to Chrysler
7. Chrysler Drive from Bayfront to Constitution *
8. Chrysler Drive from Constitution to Jefferson
9. Chilco Street from Bayfront to Constitution *
10. Chilco Street from Constitution to Hamilton

*Daily traffic counts to be provided by the City of Menlo Park

As part of this analysis, DKS will assess whether the projected traffic congestion would result in potential cut-through traffic patterns (for example, if congestion at Bayfront/Chilco would result in potential cut-through traffic in the Belle Haven neighborhood). As part of this project, new two-way daily traffic counts will be collected at the following four (4) locations:

1. Constitution Drive from Independence to Chrysler
2. Independence Drive from Constitution to Chrysler
3. Chrysler Drive from Constitution to Jefferson
4. Chilco Street from Constitution to Hamilton

Site Plan and Parking Evaluation

To the extent that the site plan has been developed, DKS will review the site plan and access locations with respect to on-site traffic circulation, proposed site access and operational safety conditions. Particular attention will be given to the site's proximity to the US 101 ramp intersections.

We will also review the proposed parking supply in light of the anticipated demand, and compare these figures to the requirements of the City of Menlo Park Parking Code. Feasible traffic and parking modifications will be evaluated and suggested in the study report.

Circulation Element Conformance

DKS will review the proposed project with respect to the existing General Plan Circulation Element polices.

Pedestrian Conditions, Bicycle Access and Transit Impacts Analysis

DKS will review the proposed project with respect to the pedestrian and bicyclist facilities. This includes sidewalks, bicycle lanes, and amenities to promote the safe use of alternate modes of transportation. DKS will estimate the potential number of additional transit riders that may be generated by the proposed project, whether they would constitute an impact on transit load factors.

San Mateo County CMP Analysis

The proposed project will be subject to review by the San Mateo County Congestion Management Program (CMP) and its requirements. As such, DKS will evaluate Routes of Regional Significance in the study area (SR 84, US 101) and identify the potential impact of adding project-generated trips to these routes. Evaluation of the CMP routes will be based on the most recently approved CMP Traffic Impact Analysis guidelines in the Land Use section of the CMP.

Development of Mitigation Measures

DKS will discuss specific mitigation measures to address project traffic impacts. We will provide a table comparing analysis results before and after mitigation, and follow the TIA guidelines for mitigation measure preparation.

Should significant impacts be identified, DKS will recommend the mitigation measures needed to alleviate such impacts and improve operational conditions. Potential impacts may include those to intersections, roadways, on-site circulation and access, as well as parking, bicyclist, pedestrian and transit operations. The analysis shall first concentrate on short-term strategies that can be implemented by the applicant, and then longer-term joint-effort strategies. Mitigation measures identification and selection process will be coordinated with City staff.

As part of this subtask, DKS will note traffic impact and shuttle fees that would be associated with the proposed project.

As part of the report, DKS would provide preliminary drawings for up to three (3) recommended improvement measures (three total). Additional drawings beyond three would be considered extra work; and DKS would prepare a revised work scope and budget estimate.

Task 3: Administrative Draft EIR Traffic Report

DKS Associates will document all work assumptions, analysis procedures, findings, graphics, impacts and recommendations in an Administrative Draft EIR (Traffic Impact Analysis, or TIA) report for review and comments by City staff. Per the requirements of a Menlo Park TIA, the report will include an Executive Summary as well as Conclusion section. The report will also include:

- Description of new or planned changes to the street system serving the site, including changes in on-street parking, if any
- Future Project Condition Volumes (ADTs, AM peak hour, PM peak hour)
- Project trip generation rates
- Project trip distribution
- Discussion of impact of project trips on study intersections
- Levels of service discussion and table for each study scenario
- Comparison table of Project Condition and Existing LOS along with average delay and percent increases at intersections
- Impacts of additional traffic volumes on city streets
- Intersection level of service calculation sheets (electronic and hard copy format)

Task 4: Draft EIR Traffic Report

DKS will respond to one set of consolidated comments on the Administrative Draft Traffic Report. The text, graphics and analysis will be modified as needed. The Draft EIR Traffic Report will then be prepared. We have assumed only one Administrative Draft Report will be prepared.

Task 5: Final EIR - Response to Comments

DKS will respond in writing to comments received on the transportation analysis of the Draft EIR. Should additional quantitative work be necessary to prepare this task beyond the budgeted hours we will request additional budget at that time, and proceed after receiving written authorization for additional services.

Task 6: Meetings (6)

DKS staff will attend up to six (6) meetings related to this project, including project scoping meetings. Attendance of additional project meetings or City of Menlo Park public hearings would be considered extra work, and could be arranged through a contract amendment.

SCHEDULE

DKS is prepared to begin work on this traffic study immediately after receiving written authorization to proceed. An Administrative Draft EIR Traffic Report will be ready for City staff review approximately six to eight weeks after project commencement. Upon receipt of one set of unified non-contradictory comments on the Administrative Draft EIR Traffic Report, DKS will prepare a Draft Traffic Report within two weeks, assuming no new quantitative analysis is requested.

April 9, 2007

Page 8 of 8

Upon receipt of one set of unified non-contradictory comments on the Draft EIR Traffic Report, DKS will work with City Staff to develop a written response to public comments within two weeks, assuming no new quantitative analysis is requested.

BUDGET

The estimated not-to-exceed budget for this proposed work scope is \$52,610, which includes all data collection, overhead/expenses, and a fee of \$3,600 for use of the CSA traffic data. A spreadsheet showing the key project personnel, their hourly rates and expected time to be spent on the project is included with this proposal. Present workload of all assigned DKS personnel will allow them to complete the planned work within the identified project schedule. Following review of the work scope by City staff, DKS will make any necessary changes and prepare a revised work scope and budget estimate.

Thank you for considering DKS for this proposal. Please contact me if you have any questions or comments. We look forward to working with you.

Sincerely,

DKS Associates

A California Corporation

A handwritten signature in black ink that reads "Mark E. Spencer". The signature is written in a cursive, flowing style.

Mark E. Spencer, P.E.

Principal

Cc: Chip Taylor, City of Menlo Park, Transportation Manager
Justin Murphy, City of Menlo Park, Development Services Manager

Exhibit 1
EIR TRAFFIC REPORT - Revised Bohannon East 2007
City of Menlo Park, CA

Fee Estimate

Personnel & Hourly Billing Rates

Work Tasks	Principal & Proj. Mngr \$165	Senior Engineer \$110	Associate Engineer \$90	Admin/ Graphics \$110	Other Direct Costs	Total Hours	Total Fee	
CSA Fee					\$3,600		\$3,600	
0 Preparation of Revised Scope and Budget	4	4					\$1,100	
1 Off Site Data Collection	2	8			\$5,680	10	\$6,890	
2 Traffic Analysis	8	44	40		\$50	92	\$9,810	
3 Admin Draft EIR Traffic Report	20	40	40	24	\$50	124	\$13,990	
4 Draft EIR Traffic Report	8	16	16	8	\$50	48	\$5,450	
5 Response to Comments on DEIR and Final EIR Traffic Report	8	16	16	8	\$50	48	\$5,450	
6 Meetings (6)	24	12		4	\$600	40	\$6,320	
Subtotal	74	140	112	44	\$10,080	362	\$52,610	
Other Direct Costs include printing, mileage, deliveries, etc.								
							Total Cost:	\$52,610
							DKS Contract Amount:	\$49,010

Revised *DRAFT PROPOSAL*

REVISED AND AUGMENTED SCOPE OF WORK – Bohannon Office/Hotel Mixed Use Project EIR — October 11, 2007

New Subtask 3.8 Population and Housing– The proposed project would induce an indirect increase in population and housing with the City. Keyser Marston Associates (KMA) will evaluate the results of the Housing Needs Assessment (See Task 11 below), and how future Menlo Park Regional Housing needs Assessment could be altered as result of the Project if developed. See Task 2 in attached letter proposal from Keyser Marston Associates for details of scope.

Task Budget: See Task 11 below; + \$6,000 (40 hours for project management, text revisions for DEIR and FEIR, and QA/QC of draft report and subconsultant work effort over lifetime of subcontract).

Revised Subtask 4.1 – Growth Inducing Impacts

Growth-inducing effects of the proposed project will be evaluated through the ABAG-generated regional input-output model economic multipliers and by way of a Regional Housing Needs Analysis that will be developed regarding this project (see New **Task 11** below).

New Task Budget: \$1,920; (16 hours at \$120/hour; includes 4 hours for Hazardous Materials scoping comments analysis not previously identified in Work Plan)

Revised Subtask 4.2 Alternatives.

The alternatives to the proposed project must serve to substantially reduce impacts identified for the proposed project while feasibly attaining most of the project objectives. As a result of the scoping process for the EIR, it has been determined that variants on the “Project”, Independence Parcels Only Development and Constitution Parcels Only Development will be included in the alternatives analysis process. They will be considered among the following five alternatives:

1. No Project (No Action)
2. No Project - Buildout under existing M-2 Zoning
3. Hotel Only, No Office (Independence Parcels Only)
4. Mixed-use Office and R&D (Constitution Parcels Only)
5. Modified Original Proposed Project (2005)

These alternatives will be defined, revised, and reviewed according to their ability to reasonably attain the Project sponsor’s objectives and for their environmental effects. The comparison will focus on the key differences among the project alternatives to provide decision-makers with an understanding of the key environmental tradeoffs. These differences are expected to concern traffic, utility demand, and land use impacts. *City Involvement:* Participate in discussions to review and augment project alternatives.

New Task Budget: \$5,100 (34 *additional* hours at \$150/hour for evaluation of Alternatives 3 and 4, includes 6 hours project management and QA/QC)

Task 11: Housing Needs Assessment and Regional Housing Impacts/Needs Analysis for Menlo Park.

See Tasks/Phases 1 and 2 from September 12 letter proposal previously submitted for details of scope and the enclosed spreadsheet for changes to Phase 2, i.e. reductions in Tasks 2.2 through 2.4)

Task Budget: \$72,643; Includes Keyser Marston Associates: \$63,168 (Phase 1 = \$8,435; Phase 2 = \$54,733) + 15% PBS&J administrative fee of \$9,475

Revised Draft Contract Amendment: \$85,663 (sum of new budgets for Tasks 3.8, 4.1, 4.2 and 11)



KEYSER MARSTON ASSOCIATES.
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

ADVISORS IN:

REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

SAN FRANCISCO

A. JERRY KEYSER
TIMOTHY C. KELLY
KATE EARLE FUNK
DEBBIE M. KERN
ROBERT J. WETMORE

LOS ANGELES

CALVIN E. HOLLIS, II
KATHLEEN H. HEAD
JAMES A. RABE
PAUL C. ANDERSON
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMNEY

SAN DIEGO

GERALD M. TRIMBLE
PAUL C. MARRA

September 12, 2007

Mr. John T. Steere, AICP
Senior Environmental Manager
EIP/PBS&J
353 Sacramento Street, Suite 1100
San Francisco, CA 94111

Re: City of Menlo Park housing impact analyses and related services

Dear John:

Per your request, Keyser Marston Associates is pleased to submit this proposal to assist your firm and the City of Menlo Park with housing impact analyses and related services.

As we understand the situation, your firm is under contract to the City of Menlo Park to prepare an environmental impact report on the proposed Bohannon Hotel MU Office project. The City of Menlo Park has expressed an interest in having our firm prepare a housing needs assessment akin to an analysis that we prepared for the City of San Carlos on the proposed Palo Alto Medical Center campus. In addition, the City has requested an evaluation of how the employment impacts of this project would likely alter the City's Regional Housing Needs Allocation.

As the attached scope of services indicates, we would be pleased to prepare the housing needs assessment of the project and its alternatives. As for Regional Housing Needs Allocation (RHNA) portion, the best we can offer is an evaluation of how the proposed project employment might affect the RHNA, but we are in no position to predict what ABAG will do. As you may be aware, ABAG changed the RHNA formula this past year and is likely to do it again in the future. Furthermore, there are some aspects of the econometric model, assumptions, and allocation formula that may never be understood by outside parties. That said, we will evaluate the housing impacts for Menlo Park as we can based on current allocation practices and will confer with ABAG for clarification and guidance.

In addition to a Scope of Services and billing rate schedule attached to this letter, we are also enclosing qualifications materials on our firm and experience with this type of work. If you need additional information or have any questions, please do not hesitate to contact us.

Very truly yours,

KEYSER MARSTON ASSOCIATES, INC.



Kate Earle Funk

ANALYSIS TASKS

Task 1. Housing Needs Assessment

KMA will prepare an analysis of the proposed Bohannon Hotel MU Office project to estimate the demand for housing generated by the proposed project. Using data on the compensation levels of employees of the project (using California Employment Development Department data for San Mateo County or data provided by the applicant), and our own proprietary jobs housing nexus model, KMA will quantify the number of employee households by affordability level. The geographic dispersion of housing demand will be estimated based on current commuting data and other factors.

The analysis will be separately conducted for each of the major components of the proposed project – hotel, office, etc, to enable an understanding of the housing impacts associated with alternative scenarios for development. In addition, the housing impacts of alternative uses of the property, per the existing zoning scenario, will be determined.

The analysis will be summarized in a technical report.

Task 2. Proposed Project: Housing Impacts and Menlo Park RHNA

KMA will evaluate the results of the Task 1 conclusions with respect to the current Menlo Park Regional Housing Needs Allocation (RHNA) levels and how future Menlo Park RHNA might be altered as a result of the Proposed Project if developed. KMA will use published materials from ABAG describing the RHNA methodology, changes in the methodology and other underlying assumptions that affect the RHNA results. KMA will also confer with ABAG for clarification and any input ABAG is willing to offer on how the Menlo Park RHNA figures might be affected. In summary, KMA will make best efforts to inform Menlo Park on the likely impact of the Proposed Project, if built, on the city's RHNA figures, but KMA makes no warranty that it can predict with any assurance how future ABAG RHNA will be conducted and how Menlo Park would be affected by the Proposed Project.

The budget for the Administrative Draft on the attached page assumes up to two revised analyses in response to changes requested by the Applicant, the City of Menlo Park, or EIP/PBSJ. Additional revisions could be provided on a time and materials arrangement.

Subsequent EIR drafts assume minor revisions and edits only.

**Bohannon Hotel MU Office Project
Housing Needs Analysis Cost Proposal
EIP/PBS&J and City of Menlo Park**

The following cost proposal is for information gathering and sharing in relation to the Housing Needs Analysis.

Task	Labor Category	Est. Hours	Hourly Rate	Extended Rate	Notes
Phase I - Information Gathering and Sharing / Housing Needs Analysis					
1. Kickoff Meeting	Principal (KEF)	5	\$260	\$1,300	includes preparation and travel time for one meeting
	Manager (DD)	5	\$215	\$1,075	
2. Data Collection, Review, Requests	Principal (KEF)	5	\$260	\$1,300	
	Manager (DD)	10	\$215	\$2,150	
	Administrative	1	\$78	\$78	
3. Review/Refine Phase II Approach	Principal (KEF)	5	\$260	\$1,300	
	Manager (DD)	5	\$215	\$1,075	
	Administrative	1	\$78	\$78	
Total Not to Exceed Cost - Phase I	Principal (KEF)	15	\$260	\$3,900	
	Manager (DD)	20	\$215	\$4,300	
	Administrative	2	\$78	\$155	
	Travel Reimbursement ¹	1 mtg	\$80 per mtg	\$80	
				\$8,435	

¹ Assumes meeting in Menlo Park; in SF, travel related costs negligible.

**Bohannon Hotel MU Office Project
Housing Needs Analysis Cost Proposal
EIP/PBS&J and City of Menlo Park**

Task	Labor Category	Est. Hours	Hourly Rate	Extended Rate	Notes
Phase II - Issue Identification and EIR Preparation / Housing Needs Analysis					
1. Administrative Draft EIR ²	Principal (KEF)	50	\$260	\$13,000	Draft Housing Needs Analysis for incorporation into Administrative Draft EIR; ABAG RHNA task
	Manager (DD)	125	\$215	\$26,875	
	Associate	50	\$160	\$8,000	
	Administrative	20	\$78	\$1,550	
2. Draft EIR	Principal (KEF)	10	\$160	\$1,600	
	Manager (DD)	25	\$215	\$5,375	
	Associate	15	\$160	\$2,400	
	Administrative	5	\$78	\$388	
3. Administrative Final EIR and Mitigation Monitoring and Reporting Plan	Principal (KEF)	5	\$260	\$1,300	
	Manager (DD)	15	\$215	\$3,225	
	Associate	5	\$160	\$800	
	Administrative	5	\$78	\$388	
4. Final EIR and Mitigation Monitoring and Reporting Plan	Principal (KEF)	5	\$260	\$1,300	
	Manager (DD)	10	\$215	\$2,150	
	Associate	5	\$160	\$800	
	Administrative	5	\$78	\$388	
Total Estimated Cost - Phase II	Principal (KEF)	70	\$260	\$18,200	includes up to three meetings and two rounds of revisions to the analysis
	Manager (DD)	175	\$215	\$37,625	
	Associate	75	\$160	\$12,000	
	Administrative	35	\$78	\$2,713	
	Travel Reimbursement ¹	3 mtgs	\$80 per mtg	\$240	
				\$70,778	
Cost per Additional Meeting	Principal (KEF)	5	\$260	\$1,300	
	Manager (DD)	5	\$215	\$1,075	
	Travel Reimbursement ¹	1 mtg	\$80 per mtg	\$80	
				\$2,455	

¹ Assumes meeting in Menlo Park; in SF, travel related costs negligible.



KATE EARLE FUNK

Ms. Funk is a founder and Principal in Keyser Marston's San Francisco office. Previously with Larry Smith and Company, she has over 30 years of experience in real estate and urban economics.

Key Role

With her broad experience, Ms. Funk has managed projects involving market and financial analyses, and urban economic analyses for policy planning.

Areas of Specialization

Affordable Housing

Within this area, Ms. Funk has emphasized jobs housing analyses, which serve as a basis for public policy determinations, fee programs, and other measures associating development projects of all types with affordable housing demand. Examples include housing nexus analyses for the cities of San Francisco, Seattle, San Diego, Sacramento, Los Angeles, San Mateo, Walnut Creek, numerous smaller cities, and several counties. She has worked extensively with inclusionary housing measures and housing trust funds. She has prepared housing impact analyses for individual large scale projects and assisted in structuring mitigation measures.

Other Nexus Work

In addition to the jobs/housing nexus work, Ms. Funk has prepared other AB 1600 analyses, linking development to demand for childcare, parks/open space, and the arts. Examples of cities that have adopted such programs are San Mateo, West Sacramento, Santa Monica, and Seattle.

She has also prepared AB 1600 studies for public infrastructure systems such as for water, sewer and drainage master plan projects.

Additional Areas of Specialization

Hotel and Conference Centers

Ms. Funk has focused on hotel and conference center market and financial feasibility analyses, particularly those involving an in-depth examination of demand generated by local firms and institutions. Assignments have been conducted for Santa Cruz and Mountain View where local firms were extensively interviewed to determine their role in supporting a new facility. She has also assisted numerous redevelopment agencies in hotel transactions negotiations including Santa Rosa, Sacramento, Oakland, Seaside, Fremont, and Milpitas.



Professional Credentials

In her professional career, Ms. Funk has been a speaker for organizations such as CRA, CALED, CALALHFA, and classes at UC Berkeley and USC. She is a member of the Lambda Alpha Honorary Land Economics Society. Ms. Funk received her Bachelor of Arts degree from Smith College in Northampton, Massachusetts.



DAVID DOEZEMA

Mr. Doezema is a Manager in Keyser Marston Associates' San Francisco office. He joined KMA in 2002 and has prepared complex technical analyses for affordable housing nexus, fiscal impact, redevelopment tax increment projection, and economic benefits assignments.

Areas of Specialization

Affordable Housing Impact and Nexus Analysis

Mr. Doezema has developed complex technical analyses for nexus studies linking commercial and residential development with affordable housing demand. He completed an update and restructuring of KMA's proprietary jobs housing nexus model and has adapted it for analysis of market rate residential development. Housing nexus assignments have included the cities of Seattle, San Francisco, San Diego, Elk Grove, Palo Alto, St. Helena, Walnut Creek, and Napa County. A recent assignment for the City of San Carlos involved an analysis of the proposed Palo Alto Medical Foundation Hospital and East San Carlos Specific Plan to quantify affordable housing demand generated by development of a 500,000 square foot hospital complex and 2.6 million square feet of commercial space.

Fiscal Impact Analysis and Municipal Service Financing Plans

Mr. Doezema has analyzed the recurring fiscal impacts of large scale mixed use projects and developed municipal service financing plans to achieve fiscal neutrality. Recent assignments include:

- *City of Marina Comprehensive Strategy* – Comprehensive analysis of seven major development projects with a total of over 4,000 homes and 5 million square feet of commercial uses;
- *East Garrison* – Mixed use project with 1,400 homes, supporting retail and a historic/arts district;
- *Fanita Ranch* – Analysis of alternative development scenarios for a 2,500 acre site in Santee, CA;
- *Alameda Point Naval Air Station* – Base reuse project with 1,800 homes, 1 million square feet of retail/office uses and adaptive reuse of 3 million square feet of existing Navy buildings; and
- *Santa Fe Springs Oil Fields* – Analysis of alternative development scenarios for a former oil field.

Redevelopment Tax Increment Projections

Mr. Doezema has extensive experience preparing redevelopment tax increment revenue and cash flow projections which have served as a basis for fiscal consultant reports supporting issuance of over \$100 million in bonds, affordable housing and public facilities financing plans on large mixed-use projects, financial feasibility projections for redevelopment plan adoption and amendment, and near and long-term planning for cities and redevelopment agencies.

Professional Credentials

Mr. Doezema holds a master's degree in urban planning and a bachelor's degree in civil and environmental engineering from the University of Michigan, Ann Arbor.



**QUALIFICATIONS OF FIRM RELATIVE TO CITY'S NEEDS
KEYSER MARSTON ASSOCIATES**

Project Name	Client	Description of work performed	Total Project Cost	% of responsibility	Period work was completed	Client Contact information*
San Carlos Housing Needs Analysis	City of San Carlos	Keyser Marston Associates prepared an analysis of the proposed Palo Alto Medical Foundation Hospital and East San Carlos Specific Plan to estimate affordable housing demand generated by development of a 500,000 square foot hospital complex and 2.6 million square feet of commercial space. Housing demand induced by the project was estimated for the City of San Carlos and jurisdictions throughout the region based on existing commute relationships and trends. Results were used in entitlement negotiations and incorporated into the EIR.	\$59,000	100%	2004-2006	Neal Martin Planning Consultant, City of San Carlos (650) 322-0875 (home office)
Did your firm meet the project schedule? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						
Brief statement of adherence to the schedule and budget for the project: KMA met all timing and budget requirements set forth by the client.						
Montalcino Resort Jobs Housing Impacts	County of Napa	Keyser Marston Associates prepared an analysis of employment, housing needs, and fiscal impacts generated by three resorts in Napa County which include conference facilities, restaurants, a spa, retail space, and a golf course. A subsequent update focused on housing impacts associated with the Montalcino Resort, one of the three covered in the earlier analysis. The assignment included a projection of housing demand by income level to be accommodated within the County and the estimated housing impact mitigation cost.	\$112,000 Update/ Revision: \$33,000	100%	1999-2001; Update in 2003	John McDowell Napa County Conservation Development and Planning Department (707) 253-4417
Did your firm meet the project schedule? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						
Brief statement of adherence to the schedule and budget for the project: KMA met all timing and budget requirements set forth by the client.						
Palo Alto Jobs Housing Nexus	City of Palo Alto	KMA is currently assisting the City of Palo Alto with an affordable housing nexus analysis addendum which covers medical and hospital buildings.	\$12,500	100%	2006-2007	Jon Abendschein Planning Management Specialist, City of Palo Alto (650) 329-2230
Did your firm meet the project schedule? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						
Brief statement of adherence to the schedule and budget for the project: KMA met all timing and budget requirements set forth by the client.						

Project Name	Client	Description of work performed	Total Project Cost	% of responsibility	Period work was completed	Client Contact information*
Seattle Residential Nexus Analysis	City of Seattle	Keyser Marston assisted the City of Seattle in a conversion of their downtown high-rise entitlement program to a housing mitigation program. In downtown Seattle, FAR entitlement over a base level was gained through a series of public benefit features, transfer of development rights purchases and housing options. The program was restructured to make payment of a substantial housing bonus the principal means of high-rise development entitlement. KMA prepared the nexus analysis and assisted the City in designing the program overall. A program was adopted in 2001.	\$93,000	100%	2000-2001	Rick Hooper Manager, Multi Family Development, City of Seattle (206) 684-0338
		In 2005, KMA prepared a nexus analysis linking market rate residential units to the demand for affordable units in Downtown Seattle. Fees were adopted in 2006.	\$59,000	100%	2005-2006	Laura Hewitt Walker Sr. Community Development Specialist (206) 684-0429
Did your firm meet the project schedule? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						
Brief statement of adherence to the schedule and budget for the project: KMA met all timing and budget requirements set forth by the client.						

Project Name	Client	Description of work performed	Total Project Cost	% of responsibility	Period work was completed	Client Contact information*
San Diego Housing Impact Fee Nexus and Jobs/Housing Balance Analysis	San Diego Housing Commission	Keyser Marston prepared the economic nexus analysis for six building types in the City of San Diego. A total trust fund package that provides annual revenues of \$12 million from a range of revenue sources was approved by the Council in 1991.	\$74,000	100%	1990±	Susan Tinsky San Diego Housing Commission (619) 578-7558
		KMA also completed an examination of jobs/housing balance by income level. This report contained an analysis of job growth in the City of San Diego by income strata and the need for housing affordable to the new worker households dividing the city into geographic subareas. The report concluded with a range of mitigation measures that could be pursued to improve the supply of affordable housing near jobs. In an additional assignment, KMA assisted the San Diego Housing Commission with the development of a Citywide inclusionary housing program. KMA developed base case financial pro formas for representative residential projects. These residential prototypes were then used to evaluate alternative inclusionary targets and their impact on development economics and profit levels.	\$50,000	100%	2004	See above
Did your firm meet the project schedule? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Brief statement of adherence to the schedule and budget for the project: KMA met all timing and budget requirements set forth by the client.						
San Francisco Residential Nexus Analysis and Inclusionary Housing Program Sensitivity Analysis	City and County of San Francisco	Keyser Marston Associates prepared analyses of alternative update options for the City's inclusionary program, working for several months with a task force consisting of developers, housing advocates and non-profit developers. Result was a negotiated agreement. Update was successfully adopted in the summer of 2006, raising on-site requirement to 15% and offsite and in lieu equivalents to 20%. KMA is currently preparing a nexus analysis linking market rate housing to the need for affordable housing in San Francisco.	\$199,000	100%	2006	Sarah Dennis Planner, City and County of San Francisco (415) 558-6314
Did your firm meet the project schedule? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Brief statement of adherence to the schedule and budget for the project: KMA met all timing and budget requirements set forth by the client.						

Project Name	Client	Description of work performed	Total Project Cost	% of responsibility	Period work was completed	Client Contact information*
Walnut Creek Inclusionary Housing and Commercial Linkage Fee Program	City of Walnut Creek	<p>KMA assisted the City with the design and adoption of inclusionary housing and jobs housing linkage programs. The inclusionary program adopted requires all projects of 10 or more units to build affordable units.</p> <p>A jobs housing linkage program with a \$5 per square foot fee on all commercial uses was adopted in February 2005.</p> <p>Both programs were the subject of an extensive hearing process and careful deliberation of all features by the Planning Commission and Council.</p>	\$126,000	100%	2003-2005	<p>Laura Simpson Housing Program Manager, City of Walnut Creek 925-943-5899 (now in Vallejo)</p>
<p>Did your firm meet the project schedule? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Brief statement of adherence to the schedule and budget for the project: KMA met all timing and budget requirements set forth by the client.</p>						
Napa Economic Nexus Analysis	City and County of Napa	<p>KMA undertook an economic nexus analysis for five building types in the City and County of Napa. We also assisted with the design of a companion inclusionary housing program affecting all residential development. The major building types included wine production facilities. An interesting aspect of this assignment was an examination of a potential nexus in the grape growing and wine production industry. Local surveys were undertaken for the other building types.</p> <p>This contract included regular meetings with a Task Force to work with the community in gaining support and understanding, and adapting a program to Napa County conditions and needs.</p> <p>Program was adopted in 1994. KMA later performed an update of the program and the revision was adopted in the summer of 2004.</p>	<p>\$59,200</p> <p>\$110,000</p>	<p>100%</p> <p>100%</p>	<p>1991-1993</p> <p>2004</p>	<p>Howard Siegel Community Partnership Manager, City and County of Napa (707) 253-4621</p>
<p>Did your firm meet the project schedule? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Brief statement of adherence to the schedule and budget for the project: KMA met all timing and budget requirements set forth by the client.</p>						
Mountain View Jobs Housing Nexus Analysis	City of Mountain View	<p>KMA prepared a jobs housing nexus analysis for three major categories of non-residential development to serve as a basis for a linkage fee under consideration. The unique aspect of this assignment was the costs and values of development in Silicon Valley during this period.</p> <p>Program was adopted in late 2001.</p>	\$50,100	100%	2000-2001	<p>Lynn Melena Senior Planner, City of Mountain View (650) 903-6462</p>
<p>Did your firm meet the project schedule? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Brief statement of adherence to the schedule and budget for the project: KMA met all timing and budget requirements set forth by the client.</p>						

KEYSER MARSTON ASSOCIATES, INC.

Profile

Keyser Marston Associates, Inc. (KMA) has one of the largest real estate and redevelopment advisory practices on the West Coast, with experience in all types of commercial and residential work. Founded in 1973, the firm has served over 600 clients on more than 2,000 projects.

Representative public sector clients include nearly every major municipality in California, as well as cities, ports and military bases throughout the west, county and special districts, and public and private colleges and universities. The firm's private sector clients include financial institutions, life insurance companies, major corporations, law firms, landowners, and developers.

KMA's principals are frequent speakers to industry groups such as the Urban Land Institute, International Council of Shopping Centers, League of Cities, California Community Redevelopment Association, and other similar organizations. KMA's principals have served on the Governor's Task Force on Military Base Reuse and have advised both the California Legislature's Committee on Economic Development and the California Redevelopment Association (CRA).

Capacity and Resources

KMA is a privately held corporation with three offices and 44 employees. The firm has developed an excellent credit history with its vendors and has maintained the financial strength to undertake numerous projects at any given time. The company is not in the practice of releasing its financial statements to third parties; however, financial statements can be made available for review at its headquarters office in San Francisco. If you need further financial information, please contact the firm's banker, Elise Wen, Executive Managing Director and First Republic Bank in San Francisco, 415-288-8080, or look at the KMA profile at Dunn & Bradstreet, DUNS #08-211-9389. KMA's California Employer Identification Number is 221-0281-8. The company has not been involved in any lawsuits, litigation or settlements.

September 10, 2007

Mr. Justin Murphy
City of Menlo, Community Development Department
701 Laurel Street
Menlo Park, CA 94025

**Subject: Request of Additional Services for the Bohannon –
Constitution/Independence EIR Traffic Analysis**

P05121-000

Dear Mr. Murphy:

This letter is a request for a contract amendment for the City of Menlo Park – Bohannon Development Project at Constitution and Independence. The amendment corresponds to the City's request for DKS to provide analysis of two project alternative scenarios for the Near Term analysis, based on our recent discussions with City Staff, and in the email from Thomas Rodgers on September 6, 2007. The two scenarios are:

Project Alternative 1 Scenario: An analysis of the Background conditions plus the proposed development along Independence Drive only (Constitution developments to remain as existing). The analysis will include the study intersections, as well as roadway and freeway segments only. For this task, it is assumed that no additional data would be collected and that analysis of pedestrian, bicycle, and transit impacts would be discussed qualitatively, and would refer back to the quantitative estimates in the Background plus Project scenario. Analysis of a long term growth scenario for the project alternative is not included. Potential impacts would be identified under the project alternative scenario, however specific mitigation measures would not be provided. Instead, recommended improvement measures would be referred to the section related to the Background plus Project scenario.

Project Alternative 2 Scenario: An analysis of the Background conditions plus the proposed development along Constitution Drive only (Independence developments to remain as its existing use). The analysis will include the study intersections, as well as roadway and freeway segments only. For this task, it is assumed that no additional data would be collected and that analysis of pedestrian, bicycle, and transit impacts would be discussed qualitatively, and would refer back to the quantitative estimates in the Background plus Project scenario. Analysis of a long term growth scenario for the project alternative is not included. Potential impacts would be identified under the project alternative scenario, however specific mitigation measures would not be provided.



1000 Broadway
Suite 450
Oakland, CA 94607

(510) 763-2061
(510) 268-1739 fax
www.dksassociates.com

July 12, 2007

Page 2 of 2

Instead, recommended improvement measures would be referred to the section related to the Background plus Project scenario.

Additional Reporting: DKS will incorporate the additional analysis as described above into the traffic report. Additional text, tables, and figures will be prepared as part of this task.

No other services are assumed in this contract modification request. The revised budget for the additional services described above is as follows:

Summary of Additional Work and Budget:

<u>Task</u>	<u>Cost</u>
1. Traffic Impact Analysis of Project Alternative 1 Scenario	\$ 3,000
2. Traffic Impact Analysis of Project Alternative 2 Scenario	\$ 3,000
3. Prepare Reports	<u>\$ 3,000</u>
Total for Additional Services of Work	\$ 9,000

Current Contract Ceiling for DKS: \$ 96,570.00

Additional Compensation Requested: \$ 9,000.00

Revised Contract Ceiling for DKS: \$ 105,570.00

Billing Terms: As per original contract

Please do not hesitate to contact DKS with any questions regarding this letter or our work on this project.

Sincerely,

DKS Associates
A California Corporation



Mark E. Spencer, P.E.
Principal

Approved by:

City of Menlo Park

By:

Title:

Date:



An employee-owned company

MEMORANDUM

To: Thomas Rogers, Associate Planner, City of Menlo Park

From: John Steere, Senior Environmental Manager

Date: October 18, 2007

A handwritten signature in black ink, appearing to read 'John Steere', is written over the 'From:' line. The signature is fluid and cursive, with a large loop at the end.

RE: Bohannon Mixed Use/Hotel Complex Project Segmentation Issue Recommendation

It was recommended to the City Council at its July 10, Public Scoping Hearing to revise the Project Description for the Bohannon Mixed Use/Hotel Complex Project (Project) to provide detailed site-by-site analysis of impacts for two variations of the Project, notably A) Development of the Constitution Parcels Only (mixed use office and R&D) and, B) Development of the Independence Parcels Only (hotel, health club, restaurant and café) This would be in addition to the current Project which entails development of the existing Project Site on the Constitution and Independence Parcels. As CEQA consultants to the City on this project, we believe that this expanded project description recommendation would be inadvisable and potentially impermissible under CEQA for several reasons. First, the applicant has submitted an application for a project that encompasses both the Constitution and Independence Parcels; revising the project description to create essentially three options to the Project would not constitute the "whole [set of] action(s)," defined as a "project" under CEQA (see Guidelines, Sec 15378(a). Further this recommendation is not supported by the applicant as a substitution or revision of the Project. In addition, CEQA forbids an agency from "segmenting" or "piecemealing" a project into smaller parts if the effect is to reduce its level of impacts. While it may not be the intent of the recommendation to split the project description up into three variations, it could be perceived as the effect, and in any case, it is an inappropriate use of the purpose of the project description. However, it would be appropriate to couch the variants on the Project (Independence Only and Constitution Only) as part of alternatives analysis process. City Staff concurs that the EIR Alternatives Chapter's qualitative and comparative impact analysis on these variations to the Project will achieve the intent of the recommendation.



An employee-owned company

MEMORANDUM

To: Thomas Rogers, Associate Planner, City of Menlo Park

From: John Steere, Senior Environmental Manager

Date: October 18, 2007

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Attachment K - Alternatives Data Table

Project	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5	
	No Project; Existing Buildings Re-Occupied	No Project; Existing M-2 Build Out	Office at Current M-2 Maximum (45% FAR); Hotel/Health Club per Current Proposal	Total FAR per Original Proposal; Hotel/Health Club per Current Proposal	Reduced-Intensity Alternative Based on Sensitivity Analysis	
Independence Site						
Lot Area	308,815	308,815	308,815	308,815	308,815	sf
Floor Area						
Office/R&D	200,000 100.0%	85,057 27.5%	138,967 45.0%	138,967 45.0%	220,803 71.5%	sf FAR
Restaurant	6,947 1.0%	0 0.0%	0 0.0%	6,947 1.0%	6,947 1.0%	sf FAR
Health Club	76,420 11.0%	0 0.0%	0 0.0%	76,420 11.0%	76,420 11.0%	sf FAR
Hotel	173,682 25.0%	0 0.0%	0 0.0%	173,682 25.0%	173,682 25.0%	sf FAR
Retail/Community	0 1.5%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	sf FAR
Total	457,049 148.0%	85,057 27.5%	138,967 45.0%	396,015 128.2%	477,851 154.7%	sf FAR
Constitution Site						
Lot Area	385,911	385,911	385,911	385,911	385,911	sf
Floor Area						
Office/R&D	494,726 128.2%	133,694 34.6%	173,660 45.0%	173,660 45.0%	275,926 71.5%	sf FAR
Restaurant	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	sf FAR
Health Club	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	sf FAR
Hotel	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	sf FAR
Retail/Community	10,421 2.7%	0 0.0%	0 0.0%	10,421 2.7%	10,421 2.7%	sf FAR
Total	505,147 130.9%	133,694 34.6%	173,660 45.0%	184,081 47.7%	286,347 74.2%	sf FAR
Total Project						
Lot Area	694,726	694,726	694,726	694,726	694,726	sf
Floor Area						
Office/R&D	694,726 100.0%	218,751 31.5%	312,627 45.0%	312,627 45.0%	496,729 71.5%	sf FAR
Restaurant	6,947 1.0%	0 0.0%	0 0.0%	6,947 1.0%	6,947 1.0%	sf FAR
Health Club	76,420 11.0%	0 0.0%	0 0.0%	76,420 11.0%	76,420 11.0%	sf FAR
Hotel	173,682 25.0%	0 0.0%	0 0.0%	173,682 25.0%	173,682 25.0%	sf FAR
Retail/Community	10,421 1.5%	0 0.0%	0 0.0%	10,421 1.5%	10,421 1.5%	sf FAR
Total	962,196 138.5%	218,751 31.5%	312,627 45.0%	580,096 83.5%	764,199 110.0%	sf FAR