



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: June 16, 2009

Staff Report #: 09-085

Agenda Item #: I-1

**INFORMATION: Menlo Gateway (Bohannon Hotel-Office Mixed-Use)
Project Subcommittee Update**

This is an information item and does not require Council action.

BACKGROUND

On April 14, 2009, the City Council provided feedback on a Public Outreach and Development Agreement Negotiation Process for the Menlo Gateway (Bohannon Hotel-Office Mixed-Use) Project, and re-appointed a Subcommittee comprised of Council Members Cohen and Fergusson. The Council generally supported the process as recommended by the Subcommittee, but offered suggestions for further refinements in order to add additional meetings, including meetings with other City Commissions, and adjusting the scheduling of certain key meetings to avoid summer and holiday periods, while generally maintaining the overall timeline.

CURRENT ACTIVITIES

Working with staff, the Subcommittee has revised the schedule, which is included as Attachment A. The changes to the schedule are shown in strike through and underline (tracking mode), and the highlights of the changes are as follows:

- The public review period for the Draft Environmental Impact Report (EIR) and Draft Fiscal Impact Analysis (FIA) would be extended from 45 days to 60 days.
- The Planning Commission meeting to review the Draft EIR would move from July 27, 2009 to September 14, 2009.
- Three additional public meetings would be added in August as follows:
 - Housing Commission meeting on August 5, 2009 to review the Housing and Population Section of the Draft EIR.
 - Transportation Commission meeting on August 12, 2009 to review the Transportation Section of the Draft EIR.
 - General meeting focused on the remainder of the City's Commissions on August 19, 2009.
- The Planning Commission meeting to review the Final EIR would move from December 14, 2009 to January 25, 2009.

In addition, other meetings were adjusted in order to accommodate these changes. The overall schedule would increase by approximately one month. The project applicant has reviewed this revised schedule and is in support of the changes.

In addition, the Subcommittee wanted to inform the Council of what is going to be studied as Alternative 5 in the EIR and the FIA. Previously, the Council established Alternative 5 as an alternative to be determined at a later point in order to reduce environmental impacts that would be identified in the EIR. Alternative 5 reflects a 16 percent reduction in proposed average daily trips in order to avoid some potential significant and unavoidable impacts. The reduction in trips primarily occurs from a reduction in the office floor area on both the Independence and Constitution sites of approximately 20 percent. In addition, there is a reduction in the maximum allowable size of the health club. In terms of project size, Alternative 5 is less than the Project and greater than Alternative 4 with a total floor area ratio (FAR) of approximately 117 percent. A summary of the Project and Alternatives is included as Attachment B.

The Subcommittee also wanted to report on other activities. The Subcommittee is working on the following:

- Searching for a qualified, independent development consultant and/or attorney who could assist the City in understanding the monetary value of the project approvals to the project applicant and to assist the City in negotiating the terms of the Development Agreement.
- Considering the implications that the proposed project could have on other properties in the area bounded by US101, Marsh Road, Bayfront Expressway, Chilco Street, and the Dumbarton railroad tracks.
- Understanding the differences between the Project and various Alternatives that are being studied in the EIR and the FIA.
- Considering the best way to communicate the Council's expectations regarding the review of this project to the City Commissions.

Thomas Rogers
Associate Planner
Report Author

Justin Murphy
Development Services Manager

PUBLIC NOTICE

Public notification was achieved by posting the agenda, at least 72 hours prior to the meeting, with this agenda item being listed. 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. Draft Public Outreach and Development Agreement Negotiation Process
- B. Project and Alternatives Summary Table

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**DRAFT Public Outreach and Development Agreement Negotiation Process
Menlo Gateway (Bohannon Hotel-Office Mixed-Use) Proposal**

#	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
1.	City Council to review and discuss the Public Meeting Schedule and method of notification	Prior to first public meeting	Council agenda published Web site project page updated & email bulletin sent	4/14/09
New	City Council to review Subcommittee Report		Council agenda published Web site project page updated & email bulletin sent	6/16/09
MILESTONE: Draft Environmental Impact Report (DEIR), Project Plans, and Fiscal Impact Analysis (FIA) issued for public review				
2.	Public outreach meetings to educate community about the proposed project, get input on public benefit needs and discuss FIA <ul style="list-style-type: none"> Belle Haven Neighborhood (Onetta Harris Community Center, evening) Business Community (Onetta Harris Community Center, afternoon) City-wide (Civic Center, evening) <i>(Note: all meetings are open to the public and may be attended by any or all Council Members or Commissioners)</i>	Prior to deadline for DEIR comments. (not to receive comments, but let people know how they can submit EIR comments)	City-wide postcard mailing for meetings 2, 3, 4, and 5 Chamber of Commerce newsletter Web site project page updated & email bulletin sent Notice sent to all appointed commissioners Press release	7/16/09 7/23/09 (4-6 p.m.)
3.				7/16/09 7/23/09 (7-9 p.m.)
4.				7/23/09 7/29/09
New				Housing Commission Meeting to review Summary and Population and Housing chapter, and to provide individual comments.

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**DRAFT Public Outreach and Development Agreement Negotiation Process
Menlo Gateway (Bohannon Hotel-Office Mixed-Use) Proposal**

#	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
New	Transportation Commission Meeting to review Summary and Traffic and Transportation chapter, and to provide individual comments.	During DEIR review period	Transportation Commission agenda published Web site project page updated & email bulletin sent	8/5/09 (7:00 p.m. start)
New	General Commission Meeting to allow other Commissions (Parks & Recreation, Environmental Quality, Bicycle, Library) to review the project.	During DEIR review period	Web site project page updated & email bulletin sent	8/19/09
5.	Planning Commission Public Hearing regarding the draft EIR <i>(Outcome: Receive public comments on the DEIR – all comments will be responded to in the Final EIR)</i>	After release of the DEIR and FIA – towards the <u>beginning of the 60</u> day review period for DEIR	Planning Commission agenda published Public Hearing Notice published and mailed to project distribution area Web site project page updated & email bulletin sent	<u>9/14/09</u>
6.	Planning Commission study session item to discuss Public Benefit, FIA, and development program <i>(Outcome: Commission reviews and comments on project proposal)</i>	Prior to final EIR	Planning Commission agenda published Web site project page updated & email bulletin sent	<u>10/5/09</u>
7.	City Council study session to consider feedback from the Planning Commission and discuss environmental impacts and mitigations, Public Benefit, FIA, and development program	Prior to final EIR	Council agenda published Web site project page updated & email bulletin sent	<u>11/3/09</u>

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**DRAFT Public Outreach and Development Agreement Negotiation Process
Menlo Gateway (Bohannon Hotel-Office Mixed-Use) Proposal**

#	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
8.	City Council regular item to provide direction or parameters to guide development agreement negotiations	At least two weeks after council study session	Council agenda published Web site project page updated & email bulletin sent	10/06/09 11/17/09
MILESTONE: Prepare Final EIR, FIA and negotiate a draft Development Agreement				
MILESTONE: Publish Final EIR, FIA, draft BMR Housing Agreement, and Recommended Development Agreement for public review				
9.	Housing Commission review and recommendation for approval of draft BMR Housing agreement	Prior to Planning Commission Public Hearing	Housing Commission Agenda posted Web site project page updated & email bulletin sent	12/2/09 1/6/10
10.	Planning Commission Public Hearing – Recommendation on final EIR, final FIA, General Plan Amendment (map and text), Zoning Ordinance Amendment, Zoning Map Amendment, Development Agreement, Architectural Control, Tentative parcel Maps, and BMR Housing Agreement	After release of Final EIR	Planning Commission agenda published Public Hearing Notice published and mailed to project distribution area (<i>potentially a joint notice with meeting #11</i>) Web site project page updated & email bulletin sent	12/14/09 1/25/10

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**DRAFT Public Outreach and Development Agreement Negotiation Process
Menlo Gateway (Bohannon Hotel-Office Mixed-Use) Proposal**

#	Meeting Description	Notes / Timing	Method of Notification	Date Scheduled
11.	City Council Public Hearing – Certification of Final EIR, Acceptance of Final FIA, Approval of General Plan Amendment (map and text) resolution, Introduction of an Ordinance Amending the Zoning Ordinance, Introduction of an Ordinance Rezoning Property, Introduction of an Ordinance Approving the Development Agreement, Architectural Control, Tentative Parcel Maps, and BMR Housing Agreement <i>(Note: may require two meetings)</i>	Approximately/minimum of 6 weeks after Planning Commission recommendation.	Council agenda published Public Hearing Notice published and mailed to project distribution area <i>(potentially a joint notice with meeting #10)</i> Web site project page updated & email bulletin sent	2/2/10 3/2/10
12.	City Council – Adoption of the Ordinances for Amending the Zoning Ordinance, Rezoning Property, and Approving the Development Agreement (consent item)	Next available Council meeting after first reading	Council agenda published Web site project page updated & email bulletin sent	2/9/10 3/9/10

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Note: all dates tentative and subject to revision.

ATTACHMENT B

Project and Alternatives Data Table - Data Updated 5/22/09
Constitution and Independence Project

	Project		Alternative 1	Alternative 2	Alternative 3		Alternative 4		Alternative 5		
	(EIR)	(FIA)			(EIR)	(FIA)	(EIR)	(FIA)	(EIR)	(FIA)	
	Proposed M-3 Zoning	Specifically Proposed Buildings	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 Zoning	Office at Current M-2 Maximum (45% FAR); Hotel/Health Club per Current Proposal	Total FAR at 110%; Hotel/Health Club per Zoning	Total FAR at 110%; Hotel/Health Club per Current Proposal	Reduced-Intensity Alternative Based on Sensitivity Analysis	Reduced-Intensity Alternative Based on Sensitivity Analysis	
Independence Site											
Lot Area	308,815	308,815	308,815	308,815	308,815	308,815	308,815	308,815	308,815	308,815	sf
Floor Area											
Office/R&D	200,000 64.8%	200,000 64.8%	85,057 27.5%	138,967 45.0%	138,967 45.0%	138,967 45.0%	200,000 64.8%	200,000 64.8%	127,500 41.3%	127,500 41.3%	sf FAR
Restaurant	6,947 2.2%	4,245 1.4%	0 0.0%	0 0.0%	6,947 2.2%	4,245 1.4%	6,947 2.2%	4,245 1.4%	6,947 2.2%	4,245 1.4%	sf FAR
Health Club	69,467 22.5%	68,519 22.2%	0 0.0%	0 0.0%	69,467 22.5%	68,519 22.2%	69,467 22.5%	68,519 22.2%	69,467 22.5%	68,519 22.2%	sf FAR
Hotel (230 rooms)	173,667 56.2%	171,563 55.6%	0 0.0%	0 0.0%	173,667 56.2%	171,563 55.6%	173,667 56.2%	171,563 55.6%	173,667 56.2%	171,563 55.6%	sf FAR
Retail/Community	3,000 1.0%	3,000 1.0%	0 0.0%	0 0.0%	3,000 1.0%	3,000 1.0%	3,000 1.0%	3,000 1.0%	3,000 1.0%	3,000 1.0%	sf FAR
Total	453,081 146.7%	447,327 144.9%	85,057 27.5%	138,967 45.0%	392,048 127.0%	386,294 125.1%	453,081 146.7%	447,327 144.9%	380,581 123.2%	374,827 121.4%	sf FAR
Constitution Site											
Lot Area	385,854	385,854	385,854	385,854	385,854	385,854	385,854	385,854	385,854	385,854	sf
Floor Area											
Office/R&D	494,669 128.2%	494,669 128.2%	133,694 34.6%	173,660 45.0%	173,660 45.0%	173,660 45.0%	303,677 78.7%	303,677 78.7%	426,542 110.5%	426,542 110.5%	sf FAR
Restaurant	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	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%	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%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	sf FAR
Retail/Community	7,420 1.9%	7,420 1.9%	0 0.0%	0 0.0%	7,420 1.9%	7,420 1.9%	7,420 1.9%	7,420 1.9%	7,420 1.9%	7,420 1.9%	sf FAR
Total	502,089 130.1%	502,089 130.1%	133,694 34.6%	173,660 45.0%	181,080 46.9%	181,080 46.9%	311,097 80.6%	311,097 80.6%	433,962 112.5%	433,962 112.5%	sf FAR
Total Project											
Lot Area	694,669	694,669	694,669	694,669	694,669	694,669	694,669	694,669	694,669	694,669	sf
Floor Area											
Office/R&D	694,669 100.0%	694,669 100.0%	218,751 31.5%	312,627 45.0%	312,627 45.0%	312,627 45.0%	503,677 72.5%	503,677 72.5%	554,042 79.8%	554,042 79.8%	sf FAR
Restaurant	6,947 1.0%	4,245 0.6%	0 0.0%	0 0.0%	6,947 1.0%	4,245 0.6%	6,947 1.0%	4,245 0.6%	6,947 1.0%	4,245 0.6%	sf FAR
Health Club	69,467 10.0%	68,519 9.9%	0 0.0%	0 0.0%	69,467 10.0%	68,519 9.9%	69,467 10.0%	68,519 9.9%	69,467 10.0%	68,519 9.9%	sf FAR
Hotel (230 rooms)	173,667 25.0%	171,563 24.7%	0 0.0%	0 0.0%	173,667 25.0%	171,563 24.7%	173,667 25.0%	171,563 24.7%	173,667 25.0%	171,563 24.7%	sf FAR
Retail/Community	10,420 1.5%	10,420 1.5%	0 0.0%	0 0.0%	10,420 1.5%	10,420 1.5%	10,420 1.5%	10,420 1.5%	10,420 1.5%	10,420 1.5%	sf FAR
Total	955,170 137.5%	949,416 136.7%	218,751 31.5%	312,627 45.0%	573,128 82.5%	567,374 81.7%	764,178 110.0%	758,424 109.2%	814,543 117.3%	808,789 116.4%	sf FAR

Note: For the Project and Alternatives 3, 4, and 5, the project size for the FIA is smaller than the EIR to reflect the specifically proposed buildings compared to the maximum zoning.