



# PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION  
MEETING OF FEBRUARY 25, 2013  
AGENDA ITEM D1

<b>LOCATION:</b>	<b>312 and 313 Constitution Drive</b>	<b>APPLICANT:</b>	<b>Facebook, Inc.</b>
<b>PROPOSED ADDRESS:</b>	<b>1 Facebook Way</b>		
<b>EXISTING USE:</b>	<b>Unoccupied Office Buildings</b>	<b>PROPERTY OWNER:</b>	<b>Giant Properties, LLC</b>
<b>PROPOSED USE:</b>	<b>Corporate Campus</b>	<b>APPLICATION:</b>	<b>Conditional Development Permit, Rezoning, Development Agreement, BMR Agreement, Lot Line Adjustment, Heritage Tree Removal Permits, and Environmental Review</b>
<b>CURRENT ZONING:</b>	<b>M-2 (General Industrial)</b>	<b>GENERAL PLAN DESIGNATION:</b>	<b>Limited Industry</b>
<b>PROPOSED ZONING:</b>	<b>M-2(X) (General Industrial, Conditional Development)</b>		

## PROPOSAL

Facebook Inc. (Facebook) seeks to develop phase two of the Facebook Campus Project, which is the West Campus proposal. The approximately 22-acre West Campus is located at the intersection of Willow Road and Bayfront Expressway. The Project Site is currently addressed 312 and 313 Constitution Drive, with the anticipation that the address would be updated to 1 Facebook Way after recordation of the requested lot line adjustment. The Project Site currently includes two legal parcels with the existing

development located on the western portion of the project site. Existing development includes two vacant office buildings totaling approximately 127,246 square feet, a surface parking lot, landscape features, a basketball court and a guard house. The eastern portion of the site includes no improvements and minimal vegetation.

This West Campus component of the Facebook Campus Project proposes demolition of the existing two buildings and associated site improvements. Subsequently, the applicant seeks to construct an approximately 433,555-square-foot building on top of surface parking that would include approximately 1,499 parking spaces. As designed, the project would accommodate approximately 2,800 employees. The complete project plan set submittal dated February 1, 2013 is included as Attachment B and reflects the design of the architectural firm of Gehry Partners, LLP, which is the architect of record for the project.

The entitlement process for the West Campus includes the following review and permit approvals:

- **Rezone from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development) and Conditional Development Permit (CDP):** to permit the proposal to diverge from standard M-2 zone requirements related to building height and lot coverage. In addition, in the M-2 zone, the construction of a new structure to house a permitted use requires use permit approval. In this case, the CDP takes the place of the required use permit;
- **Development Agreement:** which results in the provision of overall benefits to the City and adequate development controls in exchange for vested rights in West Campus Project approvals;
- **Below Market Rate (BMR) Housing Agreement:** per the requirements of the City's Municipal Code, a BMR Housing Agreement is required, which would help increase the affordable housing supply by requiring the applicant to provide an in lieu payment for the BMR fund, off-site residential units or payment of a portion of the in lieu fee and provision of off-site units;
- **Lot Line Adjustment:** to modify the location of two legal lots that comprise the project site;
- **Heritage Tree Removal Permits:** to permit the removal of 175 heritage trees associated with the proposed project;
- **Environmental Review:** an Environmental Impact Report (EIR) was prepared and certified by the City Council on May 29, 2012 that analyzed the potential environmental impacts associated with both the East Campus and West Campus components of the project. Given that there have been refinements to the project design since the environmental review was completed, additional environmental review was conducted to confirm that the proposed project would not result in environmental impacts that were not already identified in the EIR. An addendum to the previously certified EIR has been prepared as part of the project review process; and

- **Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program:** that includes specific findings that the West Campus Project includes substantial benefits that outweigh its significant, and adverse environmental impacts, and establishes responsibility and timing for implementation of all required mitigation measures.

## **BACKGROUND**

The Facebook Campus Project includes two project sites inclusive of the East Campus and West Campus. The Project is being processed in phases, with the East Campus entitlements recommended for approval by the Planning Commission in May of 2012, and subsequently approved by the City Council in May and June of 2012.

The first phase of project review included the preparation of a Fiscal Impact Analysis (FIA), which projected the potential changes in fiscal revenues and service costs directly associated with development of the proposed Project, inclusive of both the East Campus and West Campus. The FIA also explored a number of related topics, including indirect revenues/costs from potential induced housing demand, as well as one-time/non-recurring revenues (such as impact fees), and potential additional opportunities for fiscal benefits. An Environmental Impact Report (EIR) was also prepared to analyze the potential physical environmental impacts associated with the development of the proposed Project, inclusive of both the East Campus and West Campus. The City Council certified the EIR, and approved the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program for the East Campus component of the Project in May 2012.

The previous staff reports, which provide more detailed background information, plus the certified EIR and FIA, are available for review on the City-maintained project page accessible through the following link:

[http://www.menlopark.org/projects/comdev\\_fb.htm](http://www.menlopark.org/projects/comdev_fb.htm)

### ***West Campus – Phase Two***

On June 28, 2012, the City received a preliminary application on behalf of Facebook to initiate review of the Facebook West Campus, and on August 27, 2012, the applicant submitted project plans and associated reports required for project analysis. A number of public meetings to review the project were held subsequent to this submittal, which are summarized below:

- **September 11, 2012:** City Council meeting to review the preliminary draft processing schedule for the requested land use entitlements;
- **September 24, 2012:** Planning Commission study session to review the project proposal and requested land use entitlements. A summary of Planning Commission comments is summarized below;

- **October 18, 2012:** Public Outreach meeting in Belle Haven to discuss the project proposal and requested land use entitlements;
- **October 30, 2012:** City Council meeting to provide direction on the development agreement parameters;
- **January 22, 2013:** City Council meeting to review the development agreement term sheet; and
- **February 20, 2013:** Housing Commission meeting to provide a recommendation on the BMR Housing Agreement.

At the Planning Commission study session, Commissioners provided a number of comments related to the building design. These comments, as well as a summary of how they have been addressed in the Project Design are provided below:

- Consider additional ways to incorporate human scale design elements – the applicant has incorporated canopies and landscape elements into building design to add human scale to the facades;
- Consider ways to bring more natural lighting to the parking level – natural light would be provided at the perimeter of the parking garage and the proposed high ceiling height of the garage level (18 feet) allows for deep penetration of daylight. The applicant did explore locating skylights throughout the office level into the parking level, but this concept was deemed infeasible due to Building and Fire Code requirements;
- Consider the use of elements on the parking level to provide more visual interest – the main lobby elements in the parking area would be clad in flat metal panels to add visual interest and the applicant is exploring other opportunities to add visual interest to the parking area;
- Consider the quantity of bicycle parking that will be needed and ensure sufficient bicycle parking is provided on the parking level and on the first floor – the applicant would provide 90 bicycle parking spaces in the parking level and 134 bicycle parking spaces on the first floor; and
- Consider the addition of a “pit stop” element on the Willow Road side of the campus to provide an opportunity for a local business to provide services – the applicant would provide a bike self-repair tool station for bicyclist proximate to the Willow Road frontage; however, it was determined that a “pit stop” for commercial purposes would be infeasible.

The project design is discussed in more detail below.

## **ANALYSIS**

As discussed previously, the project proposal requires the review and consideration of a number of land use entitlements and associated agreements. A discussion of the proposed design and site layout of the project, as well as required land use entitlements and agreements is discussed in more detail below.

## ***Design and Site Layout***

The proposed project would include development of a single building above at-grade parking. The parking level would be open around the perimeter and the majority of parking spaces would be covered by the proposed structure. The height of the parking level would measure approximately 18 feet. The Zoning Ordinance requires one space per 300 square feet of gross floor area, which equates to a requirement for a total of 1,446 parking space for the proposed project. The project plans identify the provision of 1,499 parking spaces, inclusive of 26 accessible spaces and 122 parking spaces for energy efficient vehicles. None of the parking spaces would be located in landscape reserve.

The proposed single-story office building would be located above the parking level and would include approximately 433,555 square feet of gross floor area, some of which would be utilized for circulation elements in the garage and on roof levels, as well as security control stations. The roof deck would be located approximately 45 feet above grade. The building is of a linear design and spans approximately 1,565 feet along the Bayfront Expressway frontage and approximately 303 feet along the Willow Road frontage. The proposed structure, inclusive of all rooftop mechanical screening, would measure approximately 73 feet in height at its highest points.

As discussed above, the structure is very linear in nature, but as evidenced on the Project site plan, the massing of the structure would be broken up via the articulation of numerous segments of the building and the provision of striking lobby entrances at either end of the elevation fronting Bayfront Expressway. The use of exterior stairways and ramps, terraces, and extensive landscaping serves to further break up the massing of the building and add visual interest and a pedestrian scale. As presented in the site elevations and the associated color and materials board, the building would include a variety of materials including cement plaster, stainless steel, fiberglass and painted aluminum glazing.

The interior of the office is designed to house approximately 2,800 employees and includes open office space, as well as numerous amenity and support spaces. These distinct spaces include conference rooms, employee lounges, a large cafeteria, café spaces, laundry service, a fitness center, and general offices services. The interior is designed to provide natural daylighting from large window openings at the building's perimeter and skylight roof openings. Three lobbies would be located along the north side of the building (proximate to Bayfront Expressway) and a fourth employee-only lobby would be provided near the center of the building. The lobby spaces would serve as security check points at ground level and reception lounge spaces at the office level.

The office level would be moderately screened by proposed tree plantings and partially covered terraces that are directly accessible from inside the building and via pedestrian ramps and stairs from the ground. The roof is designed as an active and usable space, and would have extensive landscaped garden spaces with trees, paved gathering areas and outdoor dining spaces, as well as an approximately one-half mile walking path. The

roof design allows for assembly functions and the roof plan identifies the location where a temporary special event tent could be located up to eight times per calendar year. The roof top would also include mechanical enclosures to house the heating, ventilation and air conditioning (HVAC) equipment. The building design intends to create opportunities for flexible indoor/outdoor working environments, while maintaining a strong visual connection to the surrounding landscape and the Don Edwards San Francisco Bay National Wildlife Refuge.

The main vehicular access point to the project site would be along Bayfront Expressway. This entrance would be signaled under the proposed project and the existing curb cut would be moved approximately 250 feet to the west. Secondary and emergency access points are proposed at the northwest corner of the project site along Bayfront Expressway and at the southeast corner of the project site along Willow Road. Both of the secondary access driveways would allow right-turns only. The secondary access point on Willow Road is also designed to provide a left-turn in option for emergency response vehicles traveling northbound on Willow Road. In addition, the connection between the East Campus and West Campus would be further enhanced via additional improvements to an existing undercrossing of Bayfront Expressway that links the campuses, as discussed in more detail below.

***Rezoning and Conditional Development Permit***

The CDP and “X” overlay associated with the requested rezoning of the site allow for flexibility from zoning requirements, except Floor Area Ratio (FAR), while providing greater certainty regarding the parameters of a particular development proposal. The draft CDP is included as Attachment H and specifies development standards for the Project site, general compliance with the project plan set, allowed uses and conditions of approval including all mitigation measures from the certified EIR and EIR Addendum. Development standards listed in the CDP, as well as comparison to development standards for an M-2 zoned property are provided in the table below:

<b>Development Standard</b>	<b>Proposed CDP Standard</b>	<b>M-2 Zone Requirements</b>
Front Setback	40 feet	20 feet
Side Setback	40 feet	10 feet
Rear Setback	40 feet	0 feet
Lot Coverage	55 percent	50 percent
Floor Area Ratio	45 percent	45 percent
Height	73 feet	35 feet
Parking	1,466 to 1,499 spaces	1,446 spaces

Note: Shaded areas indicate those development standards that are not consistent with standard M-2 zone requirements.

It should be noted, that the CDP allows for some flexibility in building development and in some cases, the development standards reflected in the project plan set differ from what would be permissible under the CDP. Specifically, all proposed setbacks shown on the project plan set, with the exception of the front setback, are greater than those

specified by the CDP and the proposed lot coverage specified on the project plan set is less than what is permissible under the CDP. Constructing a building to the minimum setbacks and maximum lot coverage specified above would not require a CDP amendment. However, dependent upon the magnitude of the requested changes to the Project, additional review, either by the Community Development Director, Planning Commission or Planning Commission and City Council would be required. The framework for review of requested modifications to the project proposal is specified in Section 6 of the CDP, Modifications.

### Trip Cap:

Similar to the CDP associated with the Facebook East Campus, the proposed CDP for the Facebook West Campus also includes a Trip Cap. The Trip Cap specifies the following requirements:

- Maximum of 1,100 trips during the AM Peak Period from 7:00 a.m. to 9:00 a.m.;
- Maximum of 1,100 trips during the PM Peak Period from 4:00 p.m. to 6:00 p.m.; and
- Maximum of 6,350 daily trips.

Specific parameters regarding the Trip Cap can be found in the West Campus Trip Cap Monitoring and Enforcement Policy, which is included as Attachment I. This document has been updated for the West Campus to reflect the fact that there is an East Campus Trip Cap, and to clarify that violations of the West Campus Trip Cap are distinct from violations of the East Campus Trip Cap. The West Campus Trip Cap Monitoring and Enforcement Policy addresses the following issue areas:

- Definitions – explanation of terminology utilized;
- Monitoring – discussion regarding how the Trip Cap would be monitored; and
- Enforcement – discussion regarding how the Trip Cap would be enforced, including penalties associated with any violations of the Trip Cap.

Key components of the proposed Project that would assist Facebook in achieving compliance with the Trip Cap include a robust Transportation Demand Management (TDM) program, enhanced bicycle and pedestrian circulation on-site, as well as an enhanced bicycle and pedestrian connection between the Facebook East and West Campuses via the existing undercrossing of Bayfront Expressway.

### Undercrossing Improvements:

As part of the East Campus component of the Facebook Campus Project, Facebook is required to upgrade the existing undercrossing by making improvements to allow Facebook employees and members of the public to utilize the undercrossing via bicycle or foot to bypass the at-grade crossing of Bayfront Expressway. As part of the West Campus component of the project, the undercrossing would be further improved to allow for use by the Facebook people-mover system, in addition to bicycle and

pedestrian use. To ensure bicyclists and pedestrian safety in the undercrossing, traffic control devices would be installed on both sides of the undercrossing for controlling ingress/egress of the people-mover system into the undercrossing.

When the East Campus entitlements were reviewed and approved, it was anticipated that the East Campus component of the undercrossing improvements could be completed prior to construction of the West Campus and that the undercrossing would be temporarily closed and/or realigned during construction of the West Campus. However, as a result of expeditious submittal and review of the Facebook West Campus proposal, as well as changes to the building design (which require using the eastern portion of the West Campus Project Site as a construction staging area), it is no longer feasible to construct and open the undercrossing prior to construction of the Facebook West Campus. The proposed undercrossing improvements are now proposed to occur in two phases. As a condition of approval in the CDP, the undercrossing is required to be open prior to occupancy of the West Campus.

The first phase of the undercrossing improvements is the East Campus component, which includes the construction of the required improvements on the East Campus side of the undercrossing and continuing all the way to the West Campus property line (inclusive of construction of the improvements underneath Bayfront Expressway). The second phase of the undercrossing improvements is the West Campus component, which includes the construction of the required improvements on the West Campus side of the undercrossing, continuing all the way to the property located to the south at 1401 Willow Road.

Conceptual plans for West Campus undercrossing improvements are included in Attachment B on plan sheet WL.3.3. The conceptual plans for the East Campus component of the undercrossing improvements can be found on the April 20, 2012 East Campus plan set sheets EL.2, EL.3 and EL.4 (available on the Facebook Campus Project Page, Plan Set subpage, applicable website link provided at the end of this report). The conceptual plans included in the plan set for the East Campus component of the Facebook Campus Project also include a conceptual design for the West Campus undercrossing improvements. In the event that the Facebook West Campus is never constructed, or if there are significant delays in the construction of the West Campus, the applicant is required to bond for the West Campus undercrossing improvements to ensure that the undercrossing, and access to it, is available to Facebook employees and members of the public within a reasonable period of time.

The draft ordinance rezoning the property, the resolution approving the CDP, the CDP, and associated West Campus Trip Cap Monitoring and Enforcement Policy are included as Attachments F, G, H, and I, respectively. The CDP and associated rezoning rely on the project plans, and the CDP includes conditions of approval, along with all of the mitigation measures from the EIR. The applicant is generally amenable to the recommended conditions of approval, pending input from the public, Planning Commission and City Council.

## ***Development Agreement***

A Development Agreement is a legally binding contract between the City of Menlo Park and an applicant that delineates the terms and conditions of a proposed development project. A Development Agreement allows an applicant to secure vested rights, and it allows the City to secure certain benefits. Development Agreements are enabled by California Government Code Sections 6584-65869.5. The City Council adopted Resolution No. 4159 in January 1990, establishing the procedures and requirements for the consideration of Development Agreements (Resolution No. 4159 is available upon request at City offices or on the City's website – applicable website link provided below). Facebook is requesting a legally binding Development Agreement in concert with the requested land use entitlements

On January 22, 2013, the West Campus Development Agreement term sheet was presented to and unanimously approved by the City Council. In summary, the Project includes the following public benefits:

1. Use of an underutilized site for a global headquarter campus for the world's most prominent social networking company;
2. A high-density use in close proximity to major highways and transit routes and encouragement of alternative modes of transportation through aggressive Transportation Demand Management program;
3. A public benefit payment totaling \$1.5 million payable at \$150,000 per year for ten years following final building permit sign-off for occupancy of West Campus;
4. A clause in the construction contract for the West Campus to require qualifying subcontractors (i.e., subcontracts for \$5 million or larger with subcontractors that have reseller sales tax permits) to get a sub-permit to designate Menlo Park as point of sale so that sales/use tax on materials is allocated to the City. The estimated benefit to Menlo Park is between \$100,000 and \$300,000 total;
5. Cooperation with Menlo Park to seek to have use taxes for large purchase orders (i.e., orders over \$500,000) for initial occupancy of West Campus to have use taxes allocated to the City. This is not likely to generate much, if any revenue, but it could result in some revenue to the City;
6. Guaranteed minimum property tax revenue to the City based on an assessed value of the greater of \$230 million and the actual initial reassessed value following completion of construction (estimated to be closer to \$300 million) for period of ten years following reassessment;
7. Public access to the landscaped area in the vicinity of the undercrossing near Willow Road;
8. Cooperation to allow limited pedestrian/bicycle access from the TE Connectivity property to Willow Road if a future transit hub is built there and there are no convenient public transit stops for the TE Connectivity property;
9. Provision of an additional \$100,000 contribution to the Community Fund that was established as part of the East Campus Development Agreement;
10. Use of Recology for recycling services, which helps minimizes costs across all Recology customers in the service area due to the volume of material;

11. Provision of \$100,000 to the City to fund improvements in the area of the community proximate to the project site, with the use of funds to be determined by City;
12. Incorporation of the following provisions from East Campus Development Agreement if Facebook were to vacate the East Campus and remain at the West Campus:
  - a. Housing (Section 9),
  - b. Local Community Fund (Section 10),
  - c. Bay Trail Gap (Section 11),
  - d. Utility Undergrounding (Section 12),
  - e. Jobs (Section 13),
  - f. Environmental Education (Section 16),
  - g. Local Purchasing (Section 18),
  - h. Transportation Demand Management Information Sharing (Section 19),  
and
  - i. Volunteerism (Section 20).
13. Commitment to use Gehry Partners, LLP for the construction drawings;
14. Inclusion of a green roof;
15. Commitment to Leadership in Energy and Environmental Design (LEED) Gold equivalency; and
16. A vehicle trip cap of 1,100 trips in the AM and PM peak periods and 6,350 daily trips plus the same penalties as the East Campus of \$50 per trip per day with escalators.

The term sheet has been transformed into a 30 plus page Development Agreement, and all terms approved by the City Council are either included in the Development Agreement, in the CDP, and in some cases, in both documents. In addition, some topics covered in the Development Agreement crossover into mitigations measures included in the certified EIR and EIR addendum. The draft ordinance to approve the Development Agreement and the draft Development Agreement are included as Attachments J and K, respectively.

### ***Below Market Rate Housing Agreement***

The applicant is required to comply with Chapter 16.96 of City's Municipal Code, Below Market Rate (BMR) Housing Program ("BMR Ordinance"), and with the BMR Housing Program Guidelines adopted by the City Council to implement the BMR Ordinance ("Guidelines"). In order to obtain land use entitlements, the BMR Ordinance requires the applicant to submit a BMR Housing Agreement. This Agreement is intended to satisfy that requirement and must be approved by the City Council prior to or concurrently with the issuance of land use entitlements.

The applicant intends to satisfy its obligations under the BMR Ordinance and Guidelines by one of the following methods:

- a. Paying the in lieu BMR fee, which would be approximately \$4,507,291 based upon the maximum gross floor area permissible under the CDP and the current fee schedule;
- b. Delivering off-site units, which would equate to a total of 15 residential units based upon the maximum gross floor area permissible under the CDP; or
- c. Paying a portion of the in lieu fee and delivering off-site units.

The in lieu fee paid by the applicant and off-site units delivered by the applicant must, collectively, include fees and units that satisfy the developer's obligation to offset the net, new demand for affordable housing created by the Project. Each off-site unit provided by the developer would be credited towards the net, new demand for affordable housing created by 20,427 square feet of the gross floor area of the Project. If the applicant proceeds with an in lieu fee payment to satisfy all or a portion (if some units are provided off-site) of its obligations under the BMR Ordinance and Guidelines, the in lieu fee would be determined based upon the fee schedule in place at the time the applicant makes the in lieu fee payment.

The BMR Housing Agreement was reviewed by the City's Housing Commission on February 20, 2013. The Housing Commission unanimously voted to recommend approval of the Draft BMR Agreement. The Planning Commission will also make a recommendation on the Draft BMR Agreement, with the City Council being the final decision making authority. The resolution recommending approval of the BMR Housing Agreement and the draft BMR Housing Agreement are included as Attachments L and M, respectively.

### ***Lot Line Adjustment***

The Project Site is comprised of two legal lots as reflected on sheet WA.1.1, Topographic Survey, of the plan set. The eastern lot totals approximately 8.5 acres and the western lot totals approximately 13.6 acres. As part of the land use entitlement process for the Project, the applicant is proposing a lot line adjustment to establish a Main Parcel and an Access Parcel. This is necessary to facilitate the naming of the private road that would provide access to the project site from Bayfront Expressway, and because buildings are not permitted to span property lines.

The Access Parcel would function as a private road (as referenced previously, the proposed road name is Facebook Way) and development of the parcel would be limited to hard scape improvements to construct vehicular and pedestrian access, and associated landscaping. No structures would be permitted to encroach into the access parcel. Since the parcel would only be utilized for access purposes and would not house any permanent or temporary structures, the parcel is not subject to standard M-2 zoning district requirements pertaining to minimum lot sizes, lot dimensions, setbacks, lot

coverage and FAR. The access parcel would be approximately 5,000 square feet in size, as evidenced on the Lot Line Adjustment exhibit included as Attachment O.

The Main Parcel would encompass the majority of the Project Site and would include the proposed structure. As required by the conditions of approval in the CDP, the access parcel and main parcel would remain in common ownership in perpetuity. As such, the development envelop, maximum lot coverage and maximum FAR take into account the total dimensions and square footage of both lots combined. The resolution recommending approval of the Lot Line Adjustment and the Lot Line Adjustment Exhibit are included as Attachments M and O, respectively.

### ***Heritage Tree Removals***

The applicant submitted an arborist report for the project site as part of the environmental review process for the Facebook Campus Project. The arborist report details the species, size, and conditions of all trees on site. The arborist report identified a total of 624 trees, 233 of which are identified as heritage trees. As is described in the arborist report and shown on the Tree Disposition Plan (sheet WL.1 of the plan set), the majority of the heritage trees on the Project Site are in poor health. As part of previously granted land use entitlements associated with the undercrossing improvements (some West Campus tree removals were reviewed as part of the East Campus entitlements due to their association with the undercrossing improvements) and voluntary site remediation project (which is a distinct project under the purview of the Department of Toxic Substance Control), Heritage Tree Removal Permits have already been applied for and issued for a total of 58 heritage trees on the West Campus.

As part of the West Campus Project proposal, the applicant seeks to remove the remaining 175 heritage trees, 41 of which are in good health and the remaining 134 of which are in poor health or dead. The applicant has applied for Heritage Tree Removal Permits for all 175 trees, which were reviewed by a consulting arborist, whose recommendations were reviewed by the City Arborist. The consulting arborist recommended and the City Arborist concurred, that Heritage Tree Removal Permits could be issued for all 175 trees, based upon the poor health of most trees and the fact that the location of the majority of the existing heritage trees conflicts with redevelopment of the site.

As illustrated on the project plans, the site would include heavily landscaped water-efficient ground level plantings, and trees, inclusive of a minimum 216 replacement heritage trees associated with the 175 requested heritage tree removals. Additional terrace level and rooftop gardens would help create a landscaped hillside appearance that would blend the building into the surrounding landscape. The proposed plant palette includes a diversity of plants that would provide improved site aesthetics and ecological value. The applicant is working with local environmental stakeholders, as well as ecological consulting firm H.T. Harvey and Associates to ensure that the plant palette is suitable for the project site.

## ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared and certified by the City Council on May 29, 2012 that analyzed the potential environmental impacts associated with both the East Campus and West Campus components of the Project. The certified EIR analyzed the potential impacts of the Project across a wide range of impact areas. The EIR evaluated 16 topic areas as required by the California Environmental Quality Act (CEQA), as well as one additional topic area specific to the project site (Wind). The 16 required topic areas include: (1) Aesthetics, (2) Agricultural Resources, (3) Air Quality, (4) Biological Resources, (5) Cultural Resources, (6) Geology and Soils, (7) Greenhouse Gas Emissions, (8) Hazards and Hazardous Materials, (9) Hydrology and Water Quality, (10) Land Use, (11) Mineral Resources, (12) Noise, (13) Population and Housing, (14) Public Services, (15) Transportation, and (16) Utilities. Given the phased nature of the Project, these topic areas were analyzed separately for both the East Campus and West Campus, and then collectively for the entire project proposal. The EIR concluded that the Project had no impacts on Agricultural Resources and Mineral Resources. The EIR concluded that potential impacts related to Geology and Soils, Greenhouse Gas Emissions, Land Use, Population and Housing, Public Services, and Wind were less than significant and required no mitigation measures. Impacts associated with Aesthetics, Biological Resources, Cultural Resources, Hazards and Hazardous Materials, Hydrology and Water Quality, and Utilities were less than significant with the incorporation of mitigation measures. Finally, the EIR determined that there were significant and unavoidable impacts related to Air Quality, Noise, and Transportation. Of the significant and unavoidable impacts identified in the certified EIR, only three were specific to the West Campus, including the impacts associated with:

- Transportation:
  - Marsh Road and Middlefield Road intersection impact
  - University Avenue and Donohoe Street intersection impact
- Noise:
  - Construction related levels of vibration that would disrupt operations at nearby vibration-sensitive land uses

All other Significant and Unavoidable Impacts associated with the West Campus Project were also associated with the East Campus component of the Facebook Campus Project.

Because the West Campus was redesigned after the EIR was certified, additional environmental review has been conducted to determine whether the redesigned project proposed for the West Campus would result in environmental impacts that were not already identified in the certified EIR. This additional environmental review included preparation of an Addendum. The Addendum is available on the City maintained Facebook Campus Project webpage and at the Community Development Department public counter located in the City Administrative building. A link to the electronic version of the Addendum is provided below. The Addendum evaluated all 17 topic areas specified above to determine if the revised West Campus project proposal has the

potential to result in any physical environmental impacts that were not already disclosed in the certified EIR. After completion of this review, the Addendum concludes that the redesigned project would not cause any new significant physical environmental impacts or a substantial increases in the severity of previously identified significant physical environmental impacts. As a result, a supplemental or subsequent EIR is not required and the conclusions reached in the certified EIR are still valid as applied to the redesigned West Campus. An addendum is not required to be circulated for public review, nor is it required to be adopted; however, it should be considered by decisions makers (i.e., Planning Commission and City Council) when making a recommendation on, or taking action on requested land use entitlements.

The current review of the detailed development proposal for the West Campus requires Planning Commission and City Council consideration of a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program. The Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program adopted by the City Council in May of 2012 were only applicable to the East Campus, as applications for required land use entitlements for the West Campus component of the project had not yet been submitted. With the current application for West Campus land use entitlements, a Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program needs to be adopted for the West Campus. The draft resolution adopting the Statement of Overriding Considerations and adopting the Mitigation Monitoring and Reporting Program is included as Attachment D. The Mitigation Monitoring and Reporting Program is included as Attachment E and includes all applicable mitigation measures. Those mitigations measures that are most markedly different from those included in the East Campus Mitigation Monitoring and Reporting Program are those related to construction activities associated with the West Campus Project.

The Planning Commission should review and forward a recommendation to the City Council on the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program. The City Council will be the final decision-making body on all documents associated with the adoption of the Statement of Overriding considerations and adoption of the Mitigation Monitoring and Reporting Program.

## **CORRESPONDENCE**

Since Council action on the Development Agreement Term sheet on January 22, 2013, staff has not received any items of correspondence related to this item.

## **RECOMMENDATION**

The proposed West Campus component of the Facebook Campus Project would redevelop an existing vacant site and is projected to accommodate approximately 2,800 new employees for the City. To minimize impacts to the community, the West Campus project proposal includes a Trip Cap and robust Transportation Demand Management program, which would limit the increase in vehicular trips associated with the Project,

and related air quality and noise impacts. As part of the review of the Facebook Campus Project, an EIR was prepared and certified, and an EIR addendum was also prepared to confirm that the revised West Campus project would not result in any new significant physical environmental impacts or increase the severity of previously identified physical environmental impacts. The certified EIR and EIR addendum determined that the Facebook Campus Project, inclusive of the West Campus component, would result in significant and unavoidable impacts related to transportation, air quality and noise. However, as identified in the Fiscal Impact Analysis prepared for the Facebook Campus Project, implementation of the Project is projected to have a net positive fiscal impact for the City. Finally, the West Campus project would provide extensive public benefits as presented in the Development Agreement prepared for the Project, including monetary contributions to the City's General Fund.

Staff believes that the Project includes substantial benefits that outweigh its significant, and adverse environmental impacts. As such, staff recommends that the Planning Commission recommend that the City Council pursue the following as specified in Attachment C: (1) adopt a resolution adopting the Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program, (2) approve an ordinance to rezone the Project Site to M-2(X), (3) adopt a resolution approving the Conditional Development Permit, (4) approve an ordinance for the Development Agreement, (5) adopt a resolution approving the Below Market Rate Housing agreement, (6) adopt a resolution approving a Lot Line Adjustment, and (7) adopt a resolution approving the Heritage Tree Removal Permits. If the Planning Commission does not believe that the potential positive benefits outweigh the potential negative impacts, staff recommends that the Planning Commission provide input to the Council on each of the requested actions.

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Rachel Grossman  
Associate Planner

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Justin Murphy  
Development Services Manager

## **PUBLIC NOTICE**

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail to all property owners and occupants within a quarter-mile (1,320 feet) radius of the Project site. The mailed notice was supplemented by an email update that was sent to subscribers of the project page for the proposal, which is available at the following address: [http://www.menlopark.org/projects/comdev\\_fb.htm](http://www.menlopark.org/projects/comdev_fb.htm)  
In addition to allowing for interested parties to subscribe to email updates, the Project page provides up-to-date information about the Project, as well as links to previous staff reports and other related documents.

## **ATTACHMENTS**

- A. [Location Map](#)
- B. [Project Plans](#) (inclusive of color and materials board)
- C. [Recommended Actions for Approval](#)
- D. [Draft Resolution Adopting the Statement of Overriding Considerations and Adopting the Mitigation Monitoring and Reporting Program prepared for the Facebook Campus Project, West Campus](#)
- E. [Mitigation Monitoring and Reporting Program prepared for the Facebook Campus Project, West Campus](#)
- F. [Draft Ordinance Rezoning the Property at 312 and 313 Constitution Drive from M-2 \(General Industrial\) to M-2\(X\) \(General Industrial, Conditional Development\)](#)
- G. [Draft Resolution Approving the Conditional Development Permit](#)
- H. [Draft Conditional Development Permit](#)
- I. [Draft West Campus Trip Cap Monitoring and Enforcement Policy](#)
- J. [Draft Ordinance approving the Development Agreement](#)
- K. [Draft Development Agreement](#) (without exhibits)
- L. [Draft Resolution approving the Below Market Rate Housing Agreement](#)
- M. [Draft Below Market Rate Housing Agreement](#)
- N. [Draft Resolution approving the Lot Line Adjustment](#)
- O. [Draft Lot Line Adjustment Exhibit](#)
- P. [Draft Resolution approving the Heritage Tree Removal Permits](#)
- Q. [Draft Heritage Tree Removal Permit Exhibit](#)

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

## **EXHIBIT TO BE PROVIDED AT MEETING**

Color and Materials Board

## DOCUMENTS AVAILABLE FOR REVIEW AT CITY OFFICES AND WEBSITE

- [Addendum to Certified Environmental Impact Report prepared by Atkins, dated February 2013](#)
- [Final Environmental Impact Report \(EIR\), including Response to Comments, dated April 2012](#)
- [Draft Environmental Impact Report prepared by Atkins, dated December 2011](#)
- [Draft Fiscal Impact Analysis prepared by BAE, dated December 2011](#)
- [Final Fiscal Impact Analysis \(FIA\), dated April 2012](#)
- [FIA Response to Comments, dated April 2012](#)
- [Planning Commission Facebook West Campus Study Session Staff Report, dated September 24, 2012](#)
- [East Campus Undercrossing Plans, Dated April 20, 2012](#)
- [City Council Resolution Number. 4159, Regulations Establishing Procedures and Requirements for Development Agreements](#)

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