

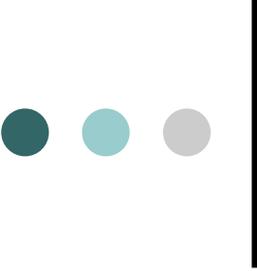


City Council Public Hearing

Menlo Gateway (Bohannon Hotel-Office)

Staff Presentation

May 25, 2010



Presentation Overview

- Summarize proposal, policy decision and necessary actions
- Provide updates since the May 11 Council meeting
- Prepare for June 15 City Council meeting

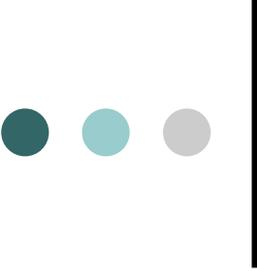
Area Plan



Constitution Site

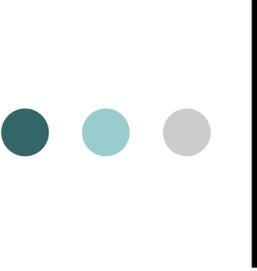
Independence Site





Proposed Land Uses

Land Use	Constitution Site	Independence Site	Total
Office/R&D	494,669 s.f.	200,000 s.f.	694,669 s.f.
Hotel	n/a	173,436 s.f./ 230 rooms	173,436 s.f./ 230 rooms
Health Club	n/a	68,964 s.f.	68,964 s.f.
Café/Restaurant		4,285 s.f.	4,285 s.f.
Total	494,669 s.f.	446,685 s.f.	941,354 s.f.

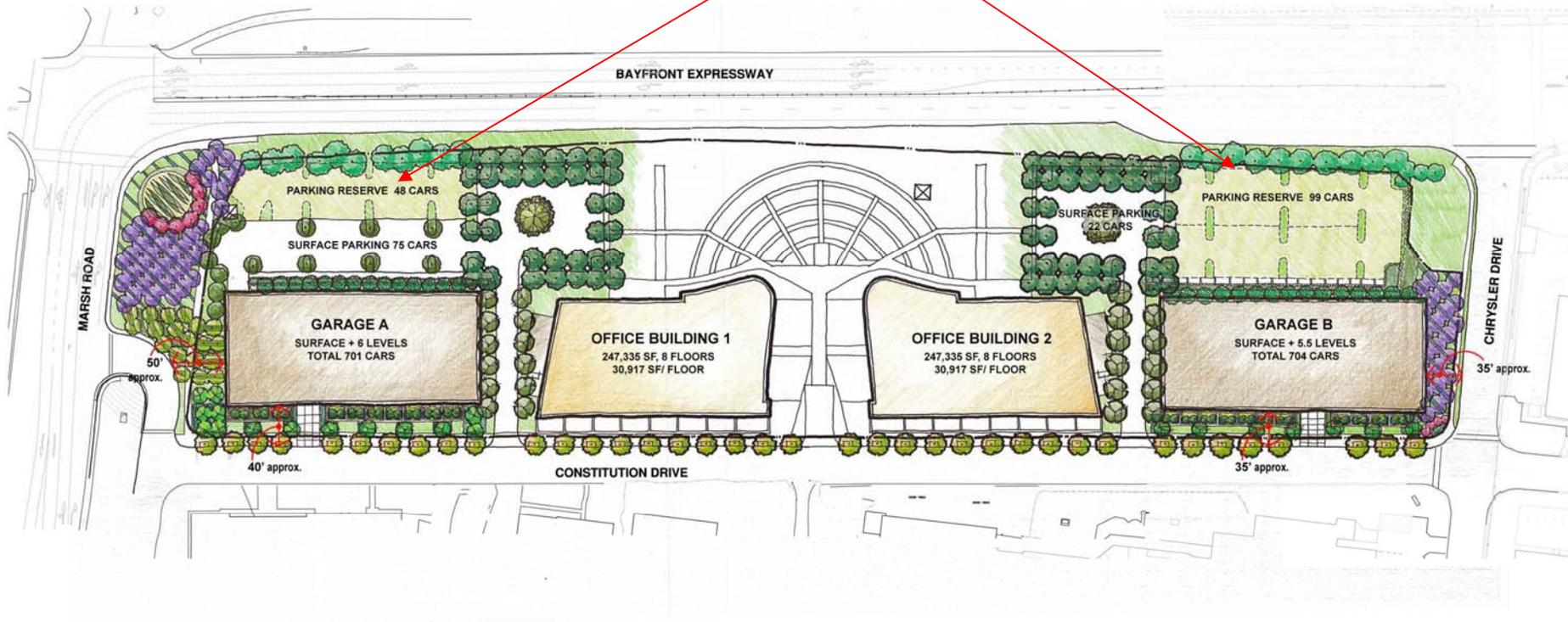


Landscape Reserve Parking

Parking Spaces	Constitution Site (A & B)	Independence Site	Total
Constructed (Structures & Surface)	1,502	1,002	2,504
Landscape Reserve	147	38	185
Total	1,649	1,040	2,689

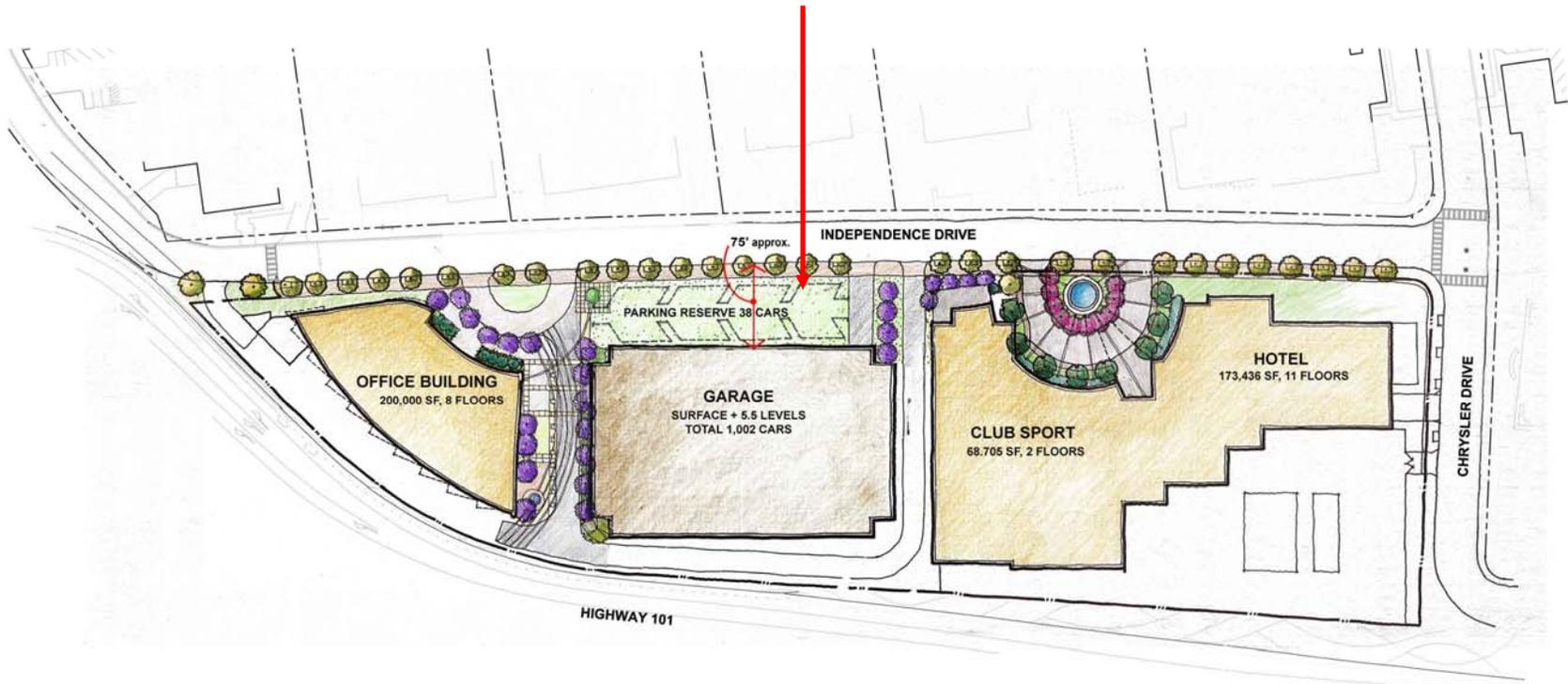
Constitution Parking

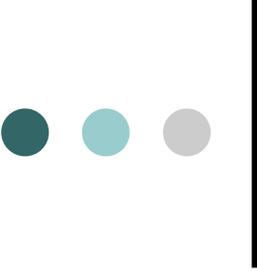
Landscape Reserve Parking



Independence Parking

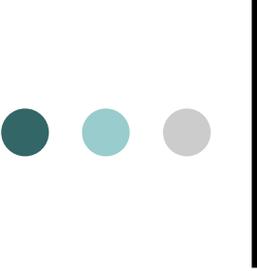
Landscape Reserve Parking





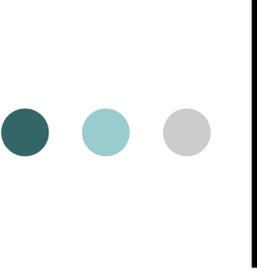
Council Policy Decision

- Should the Council amend the General Plan and Zoning Ordinance to allow the proposed project?
- On balance, do the benefits outweigh the impacts?



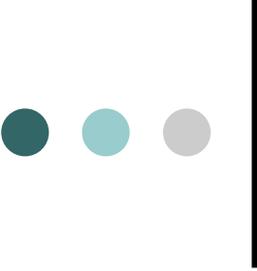
Draft Findings and Actions

- Attachment A of the Staff Report
- Necessary Actions
 - Certify Environmental Impact Report (EIR)
 - General Plan Text Amendment
 - General Plan Map Amendment
 - Zoning Ordinance Amendment
 - Rezoning
 - Development Agreement
 - Conditional Development Permit
 - Tentative Parcel Map
 - BMR Housing Agreement
 - Heritage Tree Removal Permits



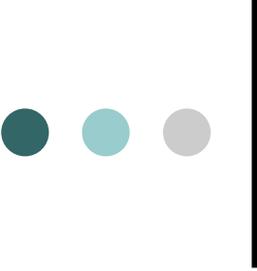
Certify EIR

- Attachment B of the Staff Report is the Findings for Certification, including the Statement of Overriding Considerations for Significant and Unavoidable Impacts
- Attachment C of the Staff Report is Resolution Certifying the EIR
- Attachment D of the Staff Report is the Mitigation Monitoring and Reporting Program (MMRP)



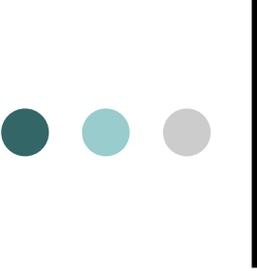
General Plan Amendments

- Text Amendment (Attachment E)
 - Creates a new land use designation
 - Commercial Business Park with maximum FAR of 137.5%
- Map Amendment (Attachment F)
 - Changes the land use designation from Limited Industrial to Commercial Business Park
- Approved by Resolution, but contingent upon Zoning Ordinance Amendment/Rezoning going into effect



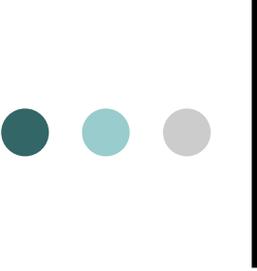
Zoning Ordinance Amendment/Rezoning

- Zoning Ordinance Amendment (Attachment G)
 - Creates a new zoning district M-3 Commercial Business Park with a maximum FAR of 137.5%
- Rezoning (Attachment H)
 - Changes zoning from M-2 General Industrial to M-2-X Commercial Business Park, Conditional Development
- Approved by Ordinance – Multi-step Process
 - Introduce – 1st meeting
 - Adopt – 2nd meeting
 - Effective – 30 days after 2nd meeting



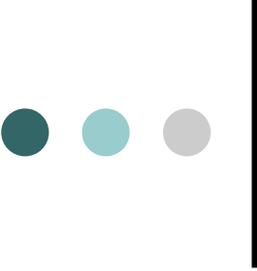
Development Agreement

- Negotiated Contract between City and Applicant
 - Applicant obtains vested rights
 - City obtains certain benefits
- Attachment I of the Staff Report
- Approved by Ordinance – Multi-Step Process



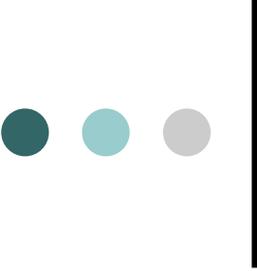
Conditional Development Permit

- Establishes project specific...
 - Development Standards
 - Permitted Uses
 - Conditions of Approval, including all mitigation measures
 - Requirements that are in effect for the “life of the project” beyond term of DA
- Attachment J of the Staff Report
- Acted upon in one step, but contingent upon Ordinance Rezoning the properties to the “X” Overlay



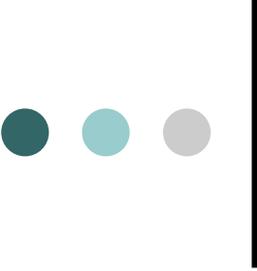
Other Actions

- **Tentative Parcel Map**
 - Project Plan Sheets IT1 through IT5 and CT1 through CT5
 - Create one or two lots on each site
- **Below Market Rate (BMR) Housing Agreement (Attachment K)**
 - In lieu fee estimated at \$8.4 million
 - Recommended by Housing Commission on April 7, 2010
- **Heritage Tree Removals**
 - 79 trees in total
 - Replacements exceed 2:1 ratio
 - Trees not to be removed until applicable construction begins
 - Conditions of approval include good faith efforts to preserve some of the trees



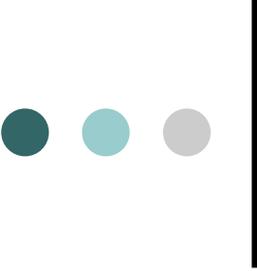
Planning Commission Recommendation

- Recommended approval by 4-3 vote with following modifications:
 - Accept the alternate **parking structure** design;
 - Modify the **hotel** consistent with the rendering presented at the meeting if acceptable to applicant;
 - Re-examine the amount of the penalty for non-compliance of the **trip limitation**;
 - Tighten the definition of minor and major **modifications** and what would come back to the Planning Commission for review;
 - Encourage the applicant to identify five to 10 acres of land for **housing** in the City;
 - In the negotiations, consider a **sales tax in lieu fee** to be applied to office square footage as completed in a range of approximately \$1.40 per square foot per year.
- Approved Transcripts Attached to the Staff Report
 - Attachment P for April 19, 2010
 - Attachment Q for May 3, 2010



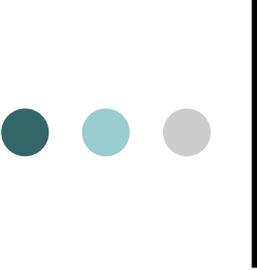
Changes Since May 11 Council Meeting

- Incorporated 12 items reflecting the staff recommendation into the Development Agreement and Conditional Development Permit
- Additional Items Requested by Council:
 - Phasing in vehicle trip limits as buildings are completed
 - Require compliance with LEED standards in effect at time of building permit submittal
 - Ideas regarding “sharing the upside”



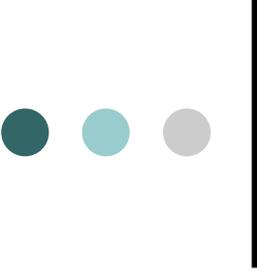
Vehicle Trip Limits

- Council Direction: Phase-in vehicle trip limits as buildings are completed
- Applicant Response:
 - Agreed to phase-in vehicle trip limits as buildings are completed per Development Agreement Section 5.6 and Condition of Approval 8.73



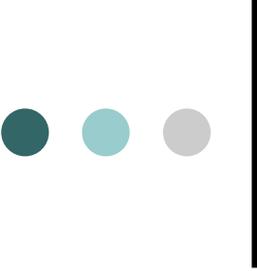
Environmental Enhancements

- Council Direction: Require compliance with LEED standards in effect at time of building permit submittal
- Applicant Response:
 - Agreed to make diligent good faith efforts to pursue updated LEED standards
 - Agreed to additional commitments
 - Greenhouse gas offset for water consumption
 - Electrical conduit for electric vehicle charging
 - Design buildings to accommodate future photovoltaic capacity
 - Provide additional employee/patron convenience services



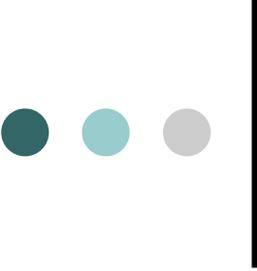
Sharing in the Upside

- Council Direction: Provide ideas regarding mechanisms for the City to share in upside
- Applicant Response:
 - Not willing to agree given a number of factors outlined in letter (Attachment T)
 - Agreed to additional commitments
 - Additional 1% TOT even if City raises the rate from 10%
 - Additional \$250,000 for Capital Improvements in Belle Haven and move up timing to Independence phase
 - Revenue guarantee timing tied to occupancy of first office in case opening of hotel delayed



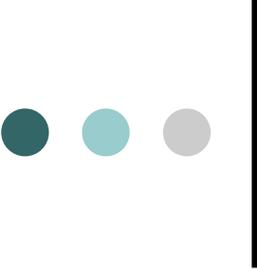
Updates Since Staff Report

- Correspondence
 - Menlo Park Fire Protection District
 - Henry Riggs
 - Jack O'Malley
- Change to Development Agreement Section 5.8 related to Parking Structure exterior changes



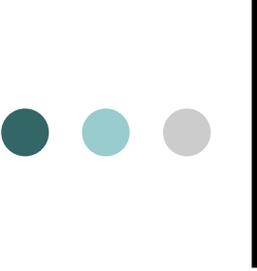
Next Steps – Step 1

- **June 15 – Regular Business Item to Take Action**
 - Certify EIR
 - Approve General Plan Resolutions
 - Introduce(1st Reading of) Ordinances
 - Approve Miscellaneous Actions
 - Conditional Development Permit
 - Tentative Parcel Maps
 - BMR Agreement
 - Heritage Tree Removal Permits



Next Steps – Step 2

- **June 22 – Consent Calendar Item to Finalize Action**
 - **Adoption (2nd reading) of Ordinances for**
 - Zoning Ordinance Amendment
 - Rezoning
 - Development Agreement



Remainder of Meeting

- Applicant Presentation
- Public Comment – Open and Close Public Hearing
- Council Questions of Staff, Consultants, and Applicant
- Possible Council Direction for June 15