



CITY COUNCIL STAFF REPORT

MEETING DATE: November 28, 2022

ITEM TITLE: Adopt Ordinance 1592 Approving the 405 Industrial Road Project Planned Development Plan and Related Zoning Map Amendment to Rezone the Project Site from Landmark Commercial to Planned Development at 405 Industrial Road (APN 046-051-080); and Ordinance 1593 Approving a Development Agreement with Menlo BCSP 405 Property, LLC for the 405 Industrial Project.

RECOMMENDATION:

The Planning and Transportation Commission and staff recommend that the City Council adopt Ordinance 1592 amending the Zoning Map to change the zoning of the site from Landmark Commercial (LC) Zoning District to Planned Development (PD) Zoning District and approving the associated planned development plan, and adopt Ordinance 1593 for approving a development agreement with Menlo BCSP 405 Property LLC for the property located at 405 Industrial Road (APN 046-051-080).

FISCAL IMPACT:

The applicant has paid the appropriate application fees and provided deposit funds to pay for expenses related to the environmental review and other reports and analyses associated with the project. The project will be required to pay building Permit fees and City impact fees. City impact fees total over \$7.5 million and include commercial linkage (affordable housing), sewer, traffic, and child care fees. The proposed development agreement includes community benefits, which are outlined in the analysis section below and include a \$4.2 million contribution.

The proposed development will also benefit the City with increases in property taxes, increased sales tax revenue, and new job creation. The estimated increased revenue to the City is \$10.6 million over the next 20 years.

BACKGROUND:

The Planning and Transportation Commission, at its September 19, 2022 meeting:

- Conducted a public hearing and adopted Resolution PC2022-09, recommending that the City Council adopt the Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program; and,
- Adopted Resolution PC2022-10 recommending that the City Council adopt the Ordinance to zone the site as Planned Development (PD) Zoning, approve the associated Planned Development Plan, and adopt the Ordinance approving the development agreement; and,
- Approved the design review, Transportation Demand Management Plan, and Grading and Dirt Haul Certificate, subject to the approval of the Planned Development zoning.

The City Council, at its November 14, 2022 meeting, conducted the public hearing and adopted Resolution 2022-114 approving the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan, introduced Ordinance 1592 to rezone the site from Landmark Commercial to Planned Development Zoning and approving the Planned Development Plan, and introduced Ordinance 1593 approving the Development Agreement.

ANALYSIS:

The Planned Development Ordinance authorizes a new 292,612 square feet life science research and development building at 405 Industrial Road with the following development standards:

1. Height: Exceed the maximum height of 50' allowed the GCI District. The applicant proposes the new building with a height of 86'-10" to the top of the parapet and 90'-10".
2. Floor Area: Exceed the maximum site floor area ratio of 2.0. The applicant proposes total building square footage, including the above grade parking at 292,612 square feet resulting in a FAR of 2.79.
3. Landscaping: Reduce on-site landscaped area from the required 15% of lot area (15,757 square feet) to 8% of lot area (8,299 square feet).
4. Sign Area: A total of 350 square feet of signage is requested on the property. The sign program includes one monument sign and a maximum of five tenant wall signs, with no more than two wall signs on along a street frontage.
5. Use: The land use regulations for the PD zone shall be those uses allowed in the Landmark Commercial (LC) Zoning District. Research and Development Use shall be considered a Permitted Use. Life Science/Research and Development tenants shall be limited to Bio Safety Level 1 and 2. Businesses categorized as Bio Safety Level 3 and 4 are prohibited.

The development agreement includes the provision of new off-site landscaping and payment of \$4.2 million in community benefits. This is in addition to the payment of City impact fees totaling \$7,524,030.

At the meeting, the City Council requested that staff return with a further study of left turn movements out of the site and potential future roadway modifications or restrictions.

Environmental Review.

The City Council adopted Resolution 2022-114 approving the Mitigated Negative Declaration and Mitigation Monitoring Plan prepared in accordance with CEQA guidelines. With implementation of the mitigation measures, the project will not result in a significant impact to the environment.

ALTERNATIVES:

Options available to City Council:

1. Adopt Ordinance 1592 amending the Zoning Map to change the zoning of the site from Landmark Commercial (LC) Zoning District to Planned Development (PD) Zoning District

and approve the associated Planned Development Plan; and adopt Ordinance 1593 approving a development agreement with Menlo BCSP 405 Property LLC for the property located at 405 Industrial Road (APN 046-051-080); or

2. Do not adopt Ordinances 1592 and 1593; or
3. Provide staff with alternative direction.

Respectfully submitted by:

Al Savay, Community Development Director

Approved for submission by:



Jeff Maltbie, City Manager

ATTACHMENT(S):

1. Ordinance 1592 with Exhibit A
Exhibit B to Ordinance 1592 – Planned Development Plan
Exhibit C to Ordinance 1592 - Findings
2. Ordinance 1593 with Exhibit A
Exhibit B to Ordinance 1593 – Development Agreement