



March 24, 2023

SUBJECT

City Council Study Session for consideration of initiating the study and environmental review of a proposed project on an 84-acre former landfill site between Belmont Slough and Marine Parkway to redevelop the existing approximately 970,00 square foot (SF), 20-building office park developed under the 1990's-era Westport Specific Plan with a modern life-sciences campus with a total of approximately 3.3 million SF (a net increase of 2.3 million SF) across 15 buildings, including an approximately 46,000 SF publicly-accessible Amenity Center with a 3,000 SF dedicated community-only space and other publicly accessible amenities, a 104-room hotel, and 47+ acres of programmed parks, green space, and trails. The project is proposed in multiple phases and includes a substantial community benefits package.

MEETING PURPOSE

Receive community and City Council feedback on the proposed Redwood Life Evolve project and accompanying community benefits package. Request that City Council:

1. Direct staff to initiate review of the project pursuant to the California Environmental Quality Act (CEQA);
2. Adopt a Resolution initiating the repeal or replacement of the Westport Specific Plan; and
3. Adopt a Resolution initiating the preparation and adoption of a Precise Plan for the further development of the subject property.

STRATEGIC PLAN GUIDING PRINCIPLES

Economic Vitality, Housing, Sustainability & Transportation

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PROJECT SITE & USE HISTORY

The subject site is located on approximately 84-acres between Bridge Parkway and Marine Parkway on the Redwood Shores peninsula. The triangular site consists of three parcels that were developed into a 1990's era office park with 20 nearly identical two-story buildings, surface parking, and landscaped buffers. The site includes an approximately 1-mile section of the San Francisco Bay Trail along western edge, adjacent to the Belmont Slough.

The site was used as a municipal landfill until 1970. The landfill was closed under the regulatory oversight of the San Francisco Regional Water Quality Control Board (RWQCB) in approximately 1976. The site was developed as a general office park in the 1990's. In recent years, the site has transitioned to a life-sciences focus and is now occupied primarily with life-science research and development and office uses.

West/North of the Project Site: The Belmont Slough is immediately west and north of the site. Beyond the Slough is Foster City.

East/Southeast of the Project Site: The site is bordered by Cork Harbor Circle, Port Walk Place and Marine Parkway to the east/southeast. Cork Harbor Circle and Port Walk Place are private roads serving residential townhome communities.

South of the Project Site: The Redwood Shores Branch Library sits at the southern tip of the triangular site, with Marine Parkway and the former Oracle campus beyond.

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Figure 1 - Project Location and Context



Figure 2 - Site Plan



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TIMELINE

In 2020 and early 2021, applicant Longfellow Real Estate Partners (Longfellow) began meeting with City staff in anticipation of preparing and submitting its project application. In April 2021, Longfellow submitted a pre-planning application for initial review by City staff. Also in early 2021, Longfellow began its public outreach for the project, seeking community input on key concerns, opportunities, and priorities in preparation for submitting a planning application. Longfellow considered the City and community's feedback from these early meetings, revised and updated the project, and was prepared to submit its planning application at the end of 2021. At the City's request, Longfellow delayed submitting its project application until June 7, 2022. After Longfellow granted the City an extension of time to perform its initial 30-day review, the City provided comments on the project from the Plan Review Committee (PRC) on August 4, 2022, and followed up with a policy letter with further comments on October 28, 2021. Longfellow responded to the PRC comments and policy letter on November 22, 2022. On January 13, 2023, again after an extension of the 30-day review period, the City provided a second round of PRC comments. At the City's recommendation, Longfellow will respond to the latest round of PRC comments after the Study Session. Longfellow has continued its public outreach and engagement activities while awaiting the City's initiation of CEQA review.

Currently, nine months following Longfellow's submittal of its project application, the City has not yet initiated action with regard to the project, including environmental review pursuant to CEQA.

ENTITLEMENTS REQUESTED

The proposed project is consistent with the site's existing Commercial – Office Professional/Technical General Plan land use designation, as well as the requirements of the site's Commercial Park zoning designation. However, the site remains subject to the Westport Specific Plan, which is a development-specific plan that was adopted by the City in 1985 and updated in 1995 to facilitate the existing 20-building office park on the site. In order to develop the site beyond its current configuration, the Westport Specific Plan must be rescinded or revised.

The City updated its General Plan in 2010, fifteen years after the last amendment of the Westport Specific Plan. At that time, the General Plan applied the current Commercial – Office Professional/Technical land use designation to the site. This designation allows development at a density that exceeds what was previously authorized in the Westport Specific Plan. The site's General Plan land use designation allows up to 3.67 million SF of development at the site and

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buildings up to 8 stories in height. The General Plan is silent with regard to the Westport Specific Plan.

The project does not seek or require any amendments to the City's General Plan. While the project is also in conformance with the site's Commercial Park zoning, the project proposes a cohesive master plan for long-term phased development of the site, which could be efficiently articulated and administered through a Precise Plan under the City's Planned Community District Framework. **However, a Precise Plan is not strictly necessary.**

The applicant is requesting the following entitlements:

1. Prepare and certify an Environmental Impact Report (EIR) pursuant to CEQA;
2. Rescind or revise the Westport Specific Plan;
3. Enter into a Development Agreement providing for a cohesive master plan for the long-term phased development of the site;
4. If desired, prepare a Precise Plan and rezone the site to Planned Community District (P District); and
5. Approve a Vesting Tentative Subdivision Map.

The applicant has requested a development agreement for the project. A development agreement is a voluntarily negotiated contract between the City and an applicant detailing the obligations of both parties and specifying the standards and conditions that will govern development of the site. The agreement would define a project's rules, regulations, commitments, and policies for a specific period of time, which provides certainty around entitlements and helps assure that the project will be built. A development agreement will generally 'lock in' the development requirements and fees to the time of approval during the term of the agreement. In exchange for these benefits, the City obtains community benefits. Development agreements are approved by ordinance. The City Council typically forms an ad hoc committee to review the proposed community benefits and to advise staff on their negotiations with regard to the development agreement.

Although development agreements are voluntary, once made they are binding on both the City and the applicant (and their successors). The applicant has voluntarily proposed a considerable community benefits package for the City to consider.

A community benefit generally describes an amenity provided by an applicant who is requesting a discretionary legislative City action such as a Development Agreement. An applicant typically

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proposes community benefits that go above and beyond baseline city requirements, namely standard impact fees, code requirements and environmental mitigation, to meet a clearly identified community need.

In this case, the applicant is proposing community benefits that include:

1. **Sea Level Rise Protection** – the project will raise over a mile of Redwood Shores levees (approximately 15% of Redwood Shores' shoreline), providing critical flood and sea level rise protection to Shores residents and reducing their potential insurance and tax liability.
2. **Affordable Housing** – the project proposes an investment of \$30M over and above the \$55M required pursuant to the City's Affordable Housing Ordinance. The project's total affordable housing investment of \$85M could support up to 850 affordable housing units at a mix of unit sizes and income levels. Longfellow proposes to identify and direct its contribution to viable projects in the development pipeline (rather than paying a fee to the City) to ensure its contribution is efficiently leveraged into the delivery of actual units.
3. **Childcare** – the project proposes a \$2M investment with BuildUP San Mateo to support their grant program, which would be directed to the most critical childcare needs at the time of distribution.
4. **Union Labor** – Longfellow is committed to using union labor for the construction of the project and has begun conversations with the United Brotherhood of Carpenters and Joiners of America and the San Mateo County Building and Construction Trades Council to document that commitment.
5. **Public Parks** – the project will develop, dedicate, and permanently maintain 15 acres (6.6 acres more than is required) in 3 separate water-facing parks for public use.
6. **Sustainability** – the project proposes an all-electric campus with energy efficiency and reduction targets beyond the requirements of CA Title 24 and increased renewable energy adoption beyond the City's REACH codes; reducing carbon emissions more than 70% per SF; and implementing environmental sustainability best practices in building and landscape design, including rainwater reclamation, native plantings, use of recycled water for irrigation, and limiting light trespass into the night sky.
7. **Dedicated Community Space** – the project includes a 50,000 SF amenity center that will be open to the public, featuring publicly accessible dining options and reservable conference center amenities, and a 3,000 SF multi-purpose space dedicated solely for community use.
8. **Transportation Management Association (TMA)** – the project will take a leadership role in studying and forming a TMA for Redwood Shores and the neighboring regions in Belmont and San Carlos with the aim of reducing traffic overall, beyond just mitigating the impacts of the project. This is in addition to developing a robust Transportation

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Demand Management Program (TDMP) to reduce single-occupant trips to the site and incentivize multi-modal transportation.

9. **Emergency Preparedness** – the project proposes to work with the Fire Department to become an Area of Refuge to serve and support the community during emergencies.

Proposed Community Benefit	Applicant's Estimated Value
Affordable Housing Financial Contribution	\$30M
Sea Level Rise Protection	\$30-50M+
Child Care Contribution	\$2M
Transportation Management Association (TMA)	\$TBD
Open Space/Parks	\$56M
Amenity Center/Community Space	\$45M
Sustainability Measures	\$35M
Total	\$198-218M

GENERAL PROJECT DESCRIPTION

Longfellow proposes to replace the 20-building office park, in phases over time, with a modern life science campus with approximately 3.3 million SF (a net increase of approximately 2.3 million SF), which includes an approximately 46,000 SF Amenity Center with a 3,000 SF dedicated community space and other community accessible amenities, a 104-room hotel, and over 47 acres of green spaces, parks, and trails.

Over the course of multiple phases, all existing buildings will be replaced with 15 new buildings, reducing surface parking by 97% and increasing open space by 163%. This increase in open space is facilitated by concentrating the new R&D space in larger facilities, rising between 55 feet and 100 feet in height (with the tallest buildings about half of the height of the nearby Oracle Park campus) and by transitioning the site's surface parking to a mix of structured garages and podium-parked buildings.

The property is comprised of three parcels that would be redivided into five parcels. The applicant is requesting approval of a Vesting Tentative Map. A Vesting Tentative Map must meet all the requirements for a tentative map. A Vesting Tentative Map will include conditions and requirements necessary to ensure that the infrastructure necessary to support the project is properly planned for and supported, including by identifying which infrastructure will be privately vs. publicly owned and maintained. Similar to a Development Agreement, a vesting map gives the owner a statutory right to proceed with development in substantial compliance with the local ordinances, policies, and standards in effect at the time the map application is found

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complete.

The project details are provided the applicant's materials, available [here](#) and at the Planning Department. At this early stage, staff desires that the City Council provide feedback focused on whether the City should proceed to study and evaluate the project proposal to identify environmental impacts, alternatives, and mitigation measures so that the City Council can take a position with regard to the project with a full understanding of the proposal at a later time.

<i>Characteristic</i>	<i>Standard per Existing GP and Zoning</i>	<i>Provided per Westport Specific Plan</i>	<i>Proposed Project</i>
Permitted use: <ul style="list-style-type: none"> - Office - R&D/laboratory - R&D/office - Hotel - Restaurant/amenities 	Allowed Allowed Allowed Allowed Allowed	Allowed Allowed Allowed Allowed Allowed	Proposed Proposed Proposed Proposed
Maximum Floor Area Ratio/SF at site	Up to .80 to 1.0 (with bonus for public open space)/ 3,671,485 SF	980,000 SF	.95/ 3,313,970 SF (includes R&D space, amenities building, and hotel)
Maximum Number of Buildings	No limit	20	15
Maximum Stories	5 to 8 as part of coordinated master plan	3	Most buildings 4-5 stories, some up to 8 stories (including podiums over garages)
Maximum Height	100 feet	53 feet	100 feet
Publicly Accessible Space	Not required	Not required	Approximately 50,000 SF within Amenities Building (includes 3,000 SF space dedicated for

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			community use)
Minimum Open Space	35% of site area	41% of site area	<p>50% of site area (42.1 acres) will be open space.</p> <p>29 acres (>34% of the site area) will be open space designed for public use, including 15 acres (>17% of the site area) of open space that is dedicated, operated, and maintained for public use</p>
Minimum Parking	Requirement varies by use. Typically, approximately 1+ space per 250 SF for office/R&D.	1 space per 272 SF	1 space per 476 SF

ANALYSIS OF COMMUNITY BENEFITS

The applicant is proposing a package of community benefits targeted to align with the City's 2020 Strategic Plan and the City's current strategic priorities, including housing through the project's contribution to affordable housing, transportation through the project's efforts to form a Transportation Management Association, and children and youth through the project's contributions to childcare and parks.

Proposed Community Benefit - Sea Level Rise Protection

The applicant is proposing to raise the protected elevation of the perimeter of the site through levee and road improvements along the Belmont Slough in conjunction with the adjacent phase(s) of development. At project completion, this will include more than a mile of levee improvements and will represent approximately 15% of the Redwood Shores' shoreline, providing critical flood and sea level rise protection that will contribute to the protection of

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Redwood Shores' residences and reduction of residents' potential insurance and tax liability. The applicant estimates that the cost of the levee improvements will be \$30-50 million. The applicant is also exploring the implementation of a Community Facilities District (CFD) to lead commercial property levee improvements, which would further reduce homeowner liability.

Proposed Community Benefit – Affordable Housing Contribution

The applicant is proposing to contribute a total of \$85 million for affordable housing in connection with the project. The applicant is required to pay an affordable housing impact fee per the City's Affordable Housing Ordinance. The impact fee is a standard requirement for all non-residential development projects and would amount to approximately \$55 million for the entire project at the current fee level. The community benefit portion of the total contribution is therefore estimated at \$30 million at project completion.

Per the City's Affordable Housing Ordinance, non-residential applicants may propose to mitigate the affordable housing impacts of their development through an alternative means of compliance instead of paying the fee. This can be an attractive option for the City as it can bring affordable units forward more quickly than if the City accumulates funds and then seeks to develop affordable units. The City has determined that the following number of affordable units will mitigate the impacts of nonresidential development on the need for affordable housing.

Required Affordable Units per 100,000 sf in a Nonresidential Project					
	Moderate	Low	Very Low	ELI	Total BMR
Office	3	5	2	0	10
Retail etc.	0	2	2	0	4
Hotel	0	2	2	0	4

If the applicant pursues an alternative means of compliance and were to provide new affordable units to meet its affordable housing obligation, this would equate to a requirement of 220 affordable units—64 moderate income, 110 low income and 46 very-low income units—for the approximately 2,132,420 net new SF of office and lab space and the approximately 148,430 SF of new space in the amenity center and hotel.

The applicant's affordable housing plan proposes an alternative means of compliance with the City's Affordable Housing Ordinance, with the compliance portion and the community benefit contribution being administered in the same way: the applicant will identify viable affordable housing projects in need of financing near the time a project phase is expected to obtain building permits and would invest its proportional contributions for that phase directly with the

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affordable housing developer, prior to obtaining building permits for the phase of the commercial project. The applicant expects to work with experienced nonprofit affordable housing producers, such as Eden Housing, to identify viable affordable housing projects to contribute to. Therefore, instead of paying into the City's Affordable Housing Fund, where the money may wait to be applied to actual construction, the project's contribution would support the development of affordable housing projects in the community at the time the contribution is made, resulting in units coming on line faster than a traditional payment into the City's fund. This proposal creates an opportunity to support the production of a variety of affordable housing types that are ready to be built or preserved—new development and preservation units, large projects and small, rental and ownership, small and large units—at the deepest level of affordability over the many years that the project will be in development. Based on typical affordable housing financial structuring, the applicant anticipates that its investment could facilitate as many as 850 affordable housing units over the 25-year development horizon of the project, depending on the types of units and the depth of affordability of the projects that are funded and the ability of the investment to attract additional funding sources. If the 850-unit estimate is reached, it would exceed the project's required alternative compliance obligation by approximately 630 units.

As proposed, the applicant would be responsible for identifying to the City and obtaining City approval of a viable qualifying project and the appropriate method of financial contribution to contribute as a condition to obtaining building permits for each phase of the commercial project development. The details and mechanism for administering the Affordable Housing Plan would be negotiated in the development agreement. Having the applicant take the responsibility for identifying qualifying affordable housing projects (rather than simply paying a fee into the City's affordable housing fund) represents an additional investment of time and risk for the applicant and could delay the implementation of phases of the commercial project, but it directly responds the City's desire for the private sector to help efficiently and effectively ensure the delivery of affordable housing to the community.

Proposed Community Benefit - Childcare

The applicant is proposing to invest \$2 million in BuildUp San Mateo's grant program. This program directs funds to the most critical childcare needs at the time of distribution. This directed contribution recognizes that Longfellow is not best positioned to identify the most critical needs in the childcare space, and that BuildUp San Mateo is an expert organization in the space and will more efficiently and effectively identify needs in the childcare space and respond to them. This also aligns with the City's strategic priority for equity by directing the project's contribution for childcare to needs where they are, instead of building a resource that would primarily serve one neighborhood.

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This represents a unique and significant opportunity to direct funds where they are most needed (right now, subsidizing infant spaces & teacher recruitment/retention), rather than simply building another childcare facility, which does not address the most urgent current priorities according to those that specialize in childcare. According to the San Mateo County Childcare Needs Assessment, only 4% of the demand for subsidized infant care is being met and the ability to keep teachers in childcare and in the Bay Area is a significant challenge, even moreso than the availability of space or facilities.

Proposed Community Benefit – Transportation Management Association (TMA)

TMA's provide access to commuter solutions such as shuttles, guaranteed ride home programs, and employee carpool matching through communal buy in. These area-specific partnerships help to address the transportation needs of a given location. The applicant is proposing to lead the study and formation of a TMA for Redwood Shores and neighboring Belmont and San Carlos with the aim of reducing overall traffic in the region above and beyond the impact of the project.

Proposed Community Benefit – Public Parks & Open Space

The applicant is proposing to develop, operate, maintain, and dedicate approximately 15 acres of land for public use in 3 water-facing parks. To achieve the project's proposed FAR, the applicant would be required to provide quasi-public or public usable open space amounting to at least 10% of the project area adjacent to the water's edge, pursuant to City Zoning Code section 16.3.2.c. The applicant's proposal exceeds the requirement (approximately 8.4 acres) by 6.6 acres.

The City determined in July 2022, in connection with its analysis of the Harbor View project's community benefits, that it would cost approximately \$17 million to purchase and construct a 2-acre site with a soccer field. Extrapolating from those values, the applicant estimates that it would cost the City approximately \$56 million to purchase and develop the 6.6 acres of park proposed as a community benefit with the Project.

Proposed Community Benefit – Community Space

The applicant is proposing to develop, in the first phase of the project, a 50,000 SF Amenity Center that would be open to the public, featuring a food hall with local vendors, a conference and meeting center that would be reservable by the community and tenants, and an approximately 3,000 SF multi-purpose space reserved and dedicated for community use and managed by Longfellow. This community space (with adjoining kitchen and moveable walls) would be free for residents and local community groups to reserve and could accommodate a variety of multigenerational uses such as a maker space, training room for school district off-sites, a cooling room for hot days, and a space to host birthday parties, club meetings, CERT training, etc. The Amenity Center will have an outdoor roof terrace overlooking the Belmont Slough and Mt. Diablo beyond.

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Proposed Community Benefit - Sustainability

The project proposes a strategy of energy efficiency and reduction targets beyond the requirements of the California energy code (Title-24), as well as increased renewable energy adoption beyond the City's REACH code to support infrastructure for 50% Electric Vehicle parking across the site. Every project building will be all-electric and designed to LEED Gold standards, constituting a \$35-50 million investment in sustainable buildings and reducing energy consumption by approximately 50% and reducing carbon emissions more than 70% on a per square foot basis.

In addition, the project will use native plants in its new open spaces and will improve its waterfront to provide natural habitats at its edges for migratory birds and fish while protecting the property from sea-level rise. The project will manage stormwater runoff within newly created native landscapes with rainwater reclamation, reduce heat island effect with planted groundcover and vegetated terraces, reduce outdoor water utilization by at least 50% with native plantings, strive to meet 100% of its irrigation requirements with municipal recycled water, and limit light trespass in the night sky.

Additional Project Features and Benefits

Emergency Preparedness

The project will improve the property with modern buildings built to the latest and most stringent seismic codes, with deep foundations supported by competent material deep below the existing landfill to support the buildings without the impacts of extensive excavation. These improvements as well as improvements to the levees and roads surrounding the site will make the property a safe location in the event of a variety of natural emergencies (e.g., earthquakes, floods, etc.). In addition, the applicant is proposing to work with the Fire Department to have a portion of the project designated as a community Area of Refuge to provide a location for the community to safely gather in the event of an emergency, with emergency supplies available based on FEMA and Red Cross recommendations.

Expanding Life Sciences in the City

The project would support the expansion of life sciences uses in the City. Life sciences companies are working to save lives and advance innovative discoveries and treatments to improve the human condition. Life science job growth and demand for life science space remains strong despite an overall decline in demand for general and professional office space. Life science companies have a lower employment density (i.e., employees per SF) and more dispersed commuting patterns throughout the day as compared to traditional office users, resulting in fewer traffic impacts. Life science job growth remains strong, with life science companies creating jobs for a range of skill levels—for individuals with education backgrounds ranging from sub-high school to PhD.

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Life science companies desire to remain in major clusters (e.g., Boston, San Francisco, San Diego, etc.) and the project has the opportunity to focus a major cluster in Redwood City, allowing the City to benefit from the revenues and reputation that such focus brings.

Economic Resilience

The applicant commissioned a fiscal impact study of the proposed project. The study found that the Project would have a significant positive net fiscal impact on the City General Fund, generating approximately \$6.8 million per year in revenues, net of the estimated cost for the City to provide municipal services to the project, once it is fully built. Even after the first and second phases, the project would have a net positive impact on the City's General Fund. The annual net fiscal impact would total approximately \$731,700 following the completion of Phase 1 and approximately \$1.6 million following completion of Phase 2.

In contrast, the existing office campus would have a marginal net negative fiscal impact on the City's General Fund at full occupancy, generating an annual fiscal deficit of approximately \$80,000.

The City has projected a budget deficit approximately \$10 million for the next three years, with the deficit continuing at a somewhat lower level until 2031-32. In the context of the projected deficit, the net benefits of the project could aid the City in reducing deficits and balancing its budget without as many cuts to services and infrastructure.

FISCAL IMPACT

Costs associated with processing the application, including staff time, preparation of the Environmental Impact Report and other special studies and work by outside consultants are paid by the applicant through a Reimbursement Agreement.

If the Project is eventually approved and proceeds to construction, the applicant estimates that it will contribute approximately \$198-218 million in community benefits guaranteed by a Development Agreement, as well as City-required development impact fees.

ENVIRONMENTAL REVIEW

If the City Council directs staff to proceed, the City will prepare a Draft Environmental Impact Report (EIR) for the project, to be reviewed by the public and City Council. The Draft EIR will be circulated for public comment, and a Final EIR will be prepared prior to the City taking action on the project application.

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CONCLUSION AND PROPOSED STUDY SESSION QUESTIONS

The proposed development project and proposed community benefits are in the initial stages of review and are being heard by the City Council for the first time. To initiate a full analysis and review of the project and community benefits, staff should seek City Council input.

The applicant therefore proposes consideration of the following questions at the study session:

1. Should the City study the further development of the subject site consistent with the General Plan?
2. Should the City initiate the repeal or replacement of the Westport Specific Plan and/or the development of a Precise Plan?
3. Should the City initiate CEQA review of the proposed project?
4. Does the applicant's community benefit package provide a reasonable starting place to negotiate a Development Agreement?