



## Legislation Text

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**File #: 22-364, Version: 1**

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Report regarding consideration of a General Plan Amendment, Specific Plan Repeal, Zoning Ordinance Amendment, Master Plan Modification, Precise Plan Modification and Development Agreement Amendment, to allow for the transfer of development capacity from adjacent rail spur properties to Phase 4 of the Gateway Business Park Master Plan Project, including an additional 120,221 square feet to the Gateway of Pacific Phase 4 North building, increasing the building from five-stories to nine-stories, and associated California Environmental Quality Act consideration. *(Billy Gross, Principal Planner)*

### **RECOMMENDATION**

Staff recommends that the Planning Commission conduct a public hearing and take the following actions:

1. Adopt a resolution making findings and recommending that the City Council certify the Supplemental EIR, including adoption of a supplement to the Mitigation Monitoring and Reporting Program (MMRP) and Statement of Overriding Considerations (SOC); and,
2. Adopt a resolution making findings and recommending that the City Council take the following actions:  
(1) adopt a resolution approving a General Plan Amendment (GPA21-0003) and Specific Plan Repeal (SP21-0001); (2) introduce an ordinance amending the Zoning Code (ZA21-0001); (3) adopt a resolution approving the Master Plan Modification (MPM21-0001) and Precise Plan Modification (PPM21-0001); and (4), introduce an ordinance approving the Third Amendment to the Second Amended and Restated Development Agreement (DAA22-0002), based on the attached draft findings and subject to the attached draft conditions of approval.

### **MOTIONS FOR THE COMMISSION TO ADOPT STAFF RECOMMENDATION:**

1. Move to adopt the resolution recommending certification of the EIR
2. Move to adopt the resolution recommending adoption of the legislative actions and approval of entitlements

### **BACKGROUND**

#### ***Gateway Business Park Master Plan Overview***

In 2010, the South San Francisco City Council approved a General Plan Amendment, Zoning Ordinance Amendment, Design Review, Transportation Demand Management (TDM) Plan, Development Agreement (DA) and Environmental Impact Report (EIR) for the Gateway Business Park Master Plan to facilitate construction of an approximately 1.23 million square foot office/R&D campus. The Gateway Business Park Master Plan area is now commonly referred to as the Gateway of Pacific (GOP) Campus.

In 2013, the City Council approved a Master Plan Modification and Phase 1 Precise Plan to allow for a revised phasing plan and modifications to the building designs. The following is a short description of each of the GOP

Campus phases.

- **GOP Phase 1** (GOP 1) was entitled in 2013 and has been constructed. GOP 1 includes an approximately 450,000 square foot office/R&D building and a separate approximately 48,000 square foot amenity building.
- **GOP Phases 2-3** (GOP 2-3) were granted Precise Plan approvals in 2018 and comprise approximately 704,000 square feet of office/R&D space, structured and surface parking, and other general improvements. The core and shell of both Phases have been completed, and tenant improvements are being constructed.
- **GOP Phase 4** (GOP 4) was granted Precise Plan approvals in 2020 and was entitled as two five-story buildings totaling approximately 226,000 square feet of office/R&D space. GOP 4 is proposed to be amended as part of this Density Transfer project.
- **475 Eccles / GOP Phase 5** (GOP 5) was originally entitled in 2016 as a stand-alone project, as this site is not included in the Gateway Business Park Master Plan but is rather in the Business and Technology Park (BTP) zoning district. It was approved to allow two office/R&D buildings totaling approximately 262,000 square feet. The 475 Eccles project is located to the southeast of the GOP Campus, separated by a former rail parcel located between the two project sites. Subsequent to the 2016 entitlements, the project applicant acquired the rail spurs, which are also in the BTP zoning district, allowing the 475 Eccles site to be directly connected to the GOP Campus. In 2020, the City approved Use Permit and Design Review Modifications to effectively make the 475 Eccles project part of the GOP Campus, and the project is now commonly referred to as GOP 5.

## **PROJECT DESCRIPTION / DISCUSSION**

### ***GOP 4 Density Transfer Project Overview***

BioMed Realty, the project applicant, has submitted an application to allow the square footage applicable to the two rail spur parcels adjacent to the GOP Campus to be transferred to the GOP 4 site. The rail spurs are located within the BTP zoning district, which has a maximum allowable FAR of 1.0. The project applicant is requesting that the rail spur development potential of 120,221 square feet be transferred to the GOP 4 North building, resulting in an increase from approximately 110,000 square feet to 232,000 square feet. The only visual changes to the GOP 4 project would be the resultant increase in the building height of the GOP 4 North building from five-stories to nine-stories. The resulting building would provide a step-down transition between the GOP 1 North building, which was built at 12 stories, and GOP 4 South, which will remain at five floors as approved. The remainder of the GOP 4 project will remain as previously entitled. The rail spurs would be deed-restricted to eliminate the development potential on the rail spurs.

### ***Entitlements Request***

The GOP 4 Density Transfer Project is seeking the following entitlements in order to support the density transfer project:

1. General Plan Amendment for revisions to the Land Use Chapter to allow for the transfer of density into the Gateway Business Park Master Plan area;
2. Specific Plan Repeal to repeal the Gateway Specific Plan (to allow the density transfer);
3. Zoning Ordinance Amendment to amend the Gateway Specific Plan Zoning District regulations to allow a transfer of density from an adjacent zoning district;
4. Master Plan Modification to allow for the transfer of density from an adjacent property;
5. Precise Plan Modification to increase the GOP 4 North building by 120,221 square feet, increasing the building height from five-stories to nine-stories;
6. Development Agreement Amendment for minor modifications to the agreement; and
7. Certification of a Supplemental Environmental Impact Report (Supplemental EIR), including adoption of a supplement to the MMRP and SOC.

The GOP 4 Density Transfer Project would continue to be in keeping with the previous approvals, and the original conditions of approval related to these items would continue to apply to the GOP 4 Density Transfer Project.

## **GENERAL PLAN CONFORMITY AND ZONING CONSISTENCY ANALYSIS**

### ***General Plan Amendments***

The current General Plan Land Use Designation for both the GOP 4 site and the rail spurs properties is Business Commercial (BC), and the site is located in the Gateway Specific Plan District. The General Plan is required to provide specific maximum limits for building intensity; Tables 2.2-1 and 2.2-2 “Standards for Density and Development Intensity” indicate the maximum permitted FARs for all general plan land use designations. Within Table 2.2-1, the BC land use designation includes footnote 6, which states “See Table 2.2-2. The Gateway Business Park Master Plan and the Oyster Point Specific Plan are permitted to develop up to a FAR of 1.25 with a TDM.” Table 2.2-2 includes the same basic language under footnote 2; “The Gateway Business Park Master Plan and the Oyster Point Specific Plan are permitted to develop up to a FAR of 1.25 with a TDM.”

The GOP 4 site is located within the Gateway Business Park Master Plan, but the rail spurs properties are not. Therefore, to allow for the transfer of density from the rail spurs to the GOP 4 site, the footnote text needs to be amended. In the following sections, all text changes are highlighted using underscore [proposed text] format to illustrate the proposed changes.

The Gateway Business Park Master Plan and the Oyster Point Specific Plan are permitted to develop up to a FAR of 1.25 with a TDM, and the Gateway Business Park Master Plan is allowed to develop additional density to the extent such density would otherwise be available on immediately adjacent property that is (a) subject to an FAR limitation of 1.25 or less; (b) part of the same research and development campus; and (c) deed-restricted to preclude development of the transferred FAR.

The existing text on pages 2-21 to 2-22 of the General Plan is also proposed to be amended to reflect the

revised language in the footnotes:

The Gateway Business Park Master Plan area, comprising several parcels on 22.6 acres at the southeast corner of Gateway Boulevard and Oyster Point Boulevard, is permitted to develop up to a FAR of 1.25 and is allowed to develop additional density in limited circumstances as provided in Tables 2.2-1 and 2.2-2.

Currently, GOP Phases 1-4 are entitled to be developed at a FAR of 1.25. Allowing the transfer of the development capacity from the rail spur properties would result in an increased FAR of 1.37 within the Gateway Business Park Master Plan boundaries. However, including the deed-restricted rail spur property area in the FAR calculations results in an overall FAR of 1.22, which is in compliance with the Gateway Business Park Master Plan maximum FAR allowances.

### ***Specific Plan Repeal***

The GOP 4 site is located within the Gateway Specific Plan, originally adopted in 1981. The Gateway Specific Plan has not been updated in subsequent years and has been superseded by the detailed regulations that are applicable in the Zoning Ordinance’s Gateway Specific Plan District. Based on this, it is being recommended that the Gateway Specific Plan be repealed.

### ***Zoning Text Amendments (Chapter 20.220)***

As stated earlier in the report, the rail spurs properties are located with the BTP Zoning District, which allows a maximum FAR of 1.0, and the GOP 4 site is located within the Gateway Specific Plan Zoning District, which allows a maximum FAR of 1.25. To allow the development capacity of the rail spurs property to be transferred to the GOP 4 site, the following amendment is proposed to Zoning Ordinance Table 20.220.004 “Development Standards - Gateway Specific Plan District”:

Standard	GSP	Additional Regulations
<b>Lot and Density Standards</b>		
Maximum Floor Area Ration (FAR)	1.25*	See Chapter 20.040 Rules of Measurement

\* The Gateway Specific Plan District is allowed to develop additional density to the extent such density would otherwise be available on immediately adjacent property that is (a) subject to an FAR limitation of 1.25 or less; (b) part of the same research & development campus; and (c) deed-restricted to preclude development of the transferred FAR.

In addition, based on the proposed repeal of the Gateway Specific Plan, the following additional amendments to the Zoning Ordinance are proposed:

1. Amend all references in Chapter 20.220 of the Municipal Code to the “Gateway Specific Plan” to instead refer to the “Gateway Specific Plan District.” This is to effectuate the repeal of the Specific Plan.

2. Delete the outdated phrase “and the owner participation agreement” in subdivisions C.3, and C.8 of section 20.220.12.
3. Delete subdivision C.8.c in section 20.220.12, which states “the project proposed in the master plan or precise plan is consistent with the owner participation agreement.”
4. Delete subdivision E of section 20.220.012, which refers to amendments to the Gateway Specific Plan which is to be repealed and such references are no longer necessary.

As discussed above under the General Plan Amendments analysis, allowing the transfer of FAR from the rail spur properties to the GOP 4 site is consistent with the General Plan and the Gateway Business Park Master Plan, as the total FAR across all properties will not exceed 1.25. The proposed amendments would be consistent with the General Plan amendments proposed for the project.

### ***Master Plan Modifications***

In keeping with the amendments to the General Plan and Zoning Ordinance, the Gateway Business Park Master Plan document requires modifications to allow for the transfer of density from the adjacent rail spurs property.

The following underlined text is added to the Master Plan Goals and Objectives:

Utilize the site’s existing zoning potential by increasing use from the existing 284,000 square feet (approx .29 FAR) to up to the site’s permitted 1.25 FAR capacity, and develop additional density in limited circumstances as provided in section 2.2.

The following underlined text is added to Section 2.2 of the Master Plan:

The Master Plan proposes to densify the development site to achieve up to the permitted 1.25 FAR capacity by the phased incremental redevelopment of the existing buildings with new buildings and associated parking structures. Notwithstanding any other provisions of this Master Plan, the development of density exceeding 1.25 FAR is allowed to the extent such density would otherwise be available on immediately adjacent property that is (a) subject to an FAR limitation of 1.25 or less; (b) part of the same research & development campus; and (c) deed-restricted to preclude development of the transferred FAR.

The final modification to the Master Plan will include the following underlined text added to the Development Standards in Section 2.3:

A. Building coverage and gross floor area ratio limitations shall apply only to aggregate calculations for the site’s permitted 1.25 FAR within the total 22.6 acres. Individual building developments within the Gateway Business Park shall be allowed to exceed these limitations during the phased incremental redevelopment. Additional density is allowed as set forth in Section 2.2.

Subject to the amendments to the General Plan, Specific Plan and Zoning Ordinance discussed above, GOP 4

will continue to conform to the development standards stated in the modified Master Plan, which limit lot coverage to 50-percent of the site, height to 250 feet, require setbacks of at least 40 feet from any street-fronting property line, and limit floor area ratio to 1.25 total across the entire Master Plan area. Parking over the entire Gateway Business Park site will not exceed the maximum allowable limit of 2.73 spaces per 1,000 square feet.

The Public Draft General Plan Update envisions this area and the nearby vicinity as Business and Technology Park - High land use designation, which is described as “High-density corporate headquarters, research and development facilities, and offices”. The Project as designed would conform to the vision of the General Plan Update.

### **DEVELOPMENT AGREEMENT**

The applicant’s request for a Third Amendment to the Second Amended and Restated Development Agreement (Third Amendment to the DA) seeks only minor modifications to the agreement. The modifications include:

- Update to the Project Description to reflect the Density Transfer Project.
- Update to the project fees to apply the Citywide Transportation Impact Fee, Commercial Linkage Fee and the Library Impact Fee for only the 120,221 square feet of additional building area proposed.
- Agreement by the developer to participate in a Community Facilities District, if formed, at an annual tax rate equivalent to no more than \$1.00 per gross project square foot on the GOP Campus or such annual tax rate that applies to similarly situated Life Sciences projects in the East of 10.1

The proposed Third Amendment to the DA is included as Attachment 1 to the draft City Council Ordinance, which is attached to the Draft Entitlements Resolution as Exhibit C. Note that the request for this hearing is a recommendation by the Planning Commission and the Third Amendment to the DA that will be considered by the City Council through adoption of an Ordinance.

### **DESIGN REVIEW BOARD**

On October 19, 2021 the Design Review Board reviewed the proposed Precise Plan Modification. The Board liked the overall design concept and recommended relatively minor revisions to the landscape plan, as follows:

1. Provide a mixture of tall coniferous trees (approximately five stories in height) within the interior of the campus to scale with the height of the buildings. Example species include Monterey Cypress, Canary Island Pine, Aleppo Pine, Deodar Cedar, and Norfolk Island Pine (this species works well in areas where a wider canopy does not fit, and is tolerant to the SSF wind elements).
2. Provide clusters of taller trees between the site entrance off of Oyster Point Blvd and the northern end of the parking:

3. All trees should have a minimum planting area of 12' x12' x3' deep with an engineered soil and drainage to obtain the best growth in this area.
4. In areas where soil space is an issue and there are potential impacts around hardscape, consider using silva cells to increase root accessible soil volume.

Draft condition of approval A-2 requires that the applicant incorporate the DRB's recommendations prior to the issuance of building permits.

### **AIRPORT LAND USE COMMISSION**

On April 28, 2022, the GOP 4 Density Transfer Project was reviewed by the Airport Land Use Committee (ALUC) in a duly noticed public meeting. During that meeting, the ALUC recommended the Project for approval and found that the Project was consistent with the SFO Airport Land Use Compatibility Plan (ALUCP). On May 12, 2022, the Project was approved with conditions by the Board of Directors of the City/County Association of Governments of San Mateo County (C/CAG). The ALUC resolutions conditionally approving the Project are documented in Attachment 5 and the related conditions of approval are included in the project's Conditions of Approval (Associated Entitlements Resolution Exhibit D).

### **ENVIRONMENTAL REVIEW**

#### ***Previous Environmental Documents***

In 2010, the City Council certified an EIR (State Clearinghouse Number 2008062059) and approved the Gateway Business Park Master Plan project, Precise Plan for Phase 1, General Plan and Zoning Ordinance Amendments, and a Development Agreement. The EIR included a Mitigation Monitoring and Reporting Program (MMRP) along with a Statement of Overriding Considerations (2009 EIR).

In 2013, the City approved modifications to the Gateway Business Park Master Plan and the Phase 1 Precise Plan. The City found that the modifications were within the scope of the 2009 EIR and re-certified that EIR, re-adopted the CEQA findings, the MMRP and the Statement of Overriding Considerations.

In 2018, the City approved Precise Plans for Phases 2 and 3. The City determined that Phases 2 and 3 were within the scope of the 2009 EIR and adopted an Addendum (2018 Addendum).

In 2020, the City approved the GOP Phase 4 Precise Plan, and determined that the Phase 4 project was within the scope of the 2009 EIR and 2018 Addendum, and adopted another Addendum (2020 Addendum) to the previous analysis.

#### ***Supplemental Environmental Impact Report***

The City prepare, with assistance from Environmental Science Associates (ESA), a Draft and Final Supplemental Environmental Impact Report (SEIR) for the GOP 4 Density Transfer Project. The SEIR is a supplemental analysis to the certified 2009 EIR and subsequently-prepared Addenda discussed above. As required by the state CEQA Guidelines, the scope of the DSEIR includes all environmental issues to be

resolved and all areas of controversy relevant to the physical environment, including those issues and concerns identified by the City, and by other agencies, organizations and individuals in response to the City's Notice of Preparation (NOP) published on November 16, 2021. Areas of potential controversy or interest regarding the Project that were identified include vehicle miles traveled (VMT) per capita associated with the proposed project, and compatibility of the proposed project with the San Francisco International Airport Comprehensive Airport Land Use Compatibility Plan. Based on these comments, the only environmental resource topic fully evaluated in the Draft SEIR is transportation, and all other topics are discussed to the extent warranted.

### **Significant and Unavoidable Impacts**

A significant and unavoidable impact is an impact that cannot be mitigated to a less than significant level if the project is implemented, because no feasible mitigation has been identified. The project would result in the following significant unavoidable impacts relating to VMT in the Transportation categories.

Impact 3.1-2: The proposed project would conflict or be inconsistent with CEQA Guidelines Section 15064.3, subdivision b) related to VMT.

Impact 3.1-5: Implementation of the proposed project, in combination with other development, could contribute to cumulative conditions where VMT per capita or VMT per employee could exceed 85 percent of the 2040 cumulative Bay Area-wide regional average daily VMT per employee.

The proposed Mitigation Measure 3.1-1 attempts to reduce this impact by requiring first- and last-mile transit connections and active transportation improvements through the development of the rail spurs into a publicly accessible multi-use path that includes pedestrian amenities, connecting to class II bicycle lanes on Oyster Point Blvd with Forbes Blvd. However, even with the implementation of Mitigation Measure 3.1-1, the significant impact with respect to VMT would not be reduced to a less-than-significant level, as the effectiveness of the actions are unknown and may not reduce the project's VMT below the existing and cumulative thresholds. Therefore, the Project's effect on VMT would be significant and unavoidable with mitigation.

### **Response to Comments Document / Final SEIR**

The Draft SEIR was circulated for 45 days to state and other reviewing agencies/jurisdictions, and interested parties, from January 26, 2022 to February 24, 2022. The City received two comment letters: San Francisco International Airport (dated March 14, 2022); and the California Department of Transportation (dated March 14, 2022). None of the comment letters raised significant environmental issues.

Following the close of the public comment period, ESA prepared the Response to Comments document. The Final SEIR/Response to Comments is attached to the CEQA Resolution and was made available for public review on May 26, 2022. The Final SEIR must be certified by the City's project approving body (the City Council in this case) along with consideration of the project entitlement applications.

### **MMRP and Statement of Overriding Considerations**

A supplement to the MMRP and Statement of Overriding Considerations (SOC) have been prepared pursuant to



Public Resources Code Section 21086.6 and 21081, respectively. The MMRP is organized to correspond to environmental issues and significant impacts discussed in the SEIR and will be used by the City to track or identify: the mitigation measures, timing for implementation, responsible party, the action, and ongoing monitoring responsibility. The supplement to the MMRP is attached to the Associated CEQA Resolution as Exhibit C.

The SOC is included with the required CEQA Findings. The City Council must adopt the SOC for those impacts identified as significant and unavoidable in the GOP 4 Density Transfer Project Supplemental EIR (State Clearinghouse No. 2008062059) and the project cannot be approved unless a SOC is adopted which balances the benefits of the proposed project against the unavoidable transportation impacts.

Staff supports adoption of the SOC because the GOP 4 Density Transfer project will provide economic, social, technological, and other benefits that balance the significant and unavoidable impacts of the project related to transportation. Project benefits that balance the impacts include the promotion of flexibility in planning, efficient use of infill development sites in relatively close proximity to transit, and comprehensive, coordinated development planning, all without increasing the overall amount of square footage allowed in the area.

## **CONCLUSION**

The proposed GOP 4 Density Transfer Project is in keeping with the previously approved Gateway Business Park Master Plan and GOP 4 Precise Plan, and will continue the transformation of this previously underutilized site to a high density state-of-the-art Office/R&D campus in keeping with the vision of the General Plan, East of 101 Area Plan and Gateway Specific Plan.

Therefore, staff recommends that the Planning Commission take the following actions:

1. Adopt a resolution making findings and recommending that the City Council certify the Supplemental EIR, including adoption of a supplement to the Mitigation Monitoring and Reporting Program (MMRP) and Statement of Overriding Considerations (SOC); and,
2. Adopt a resolution making findings and recommending that the City Council take the following actions: ) adopt a resolution approving a General Plan Amendment (GPA21-0003) and Specific Plan Repeal (SP21-0001); (2) introduce an ordinance amending the Zoning Code (ZA21-0001); (3) adopt a resolution approving the Master Plan Modification (MPM21-0001) and Precise Plan Modification (PPM21-0001); and (4), introduce an ordinance approving the Third Amendment to the Second Amended and Restated Development Agreement (DAA22-0002), based on the attached draft findings and subject to the attached draft conditions of approval.

## **ATTACHMENTS**

1. Gateway Business Park Master Plan, adopted 2013
2. Gateway of Pacific Phase 4 Precise Plan Approved Drawings, approved 2020
3. Previously Adopted 2013 and 2020 Conditions of Approval

4. Design Review Board Letters - October 19, 2021 (for GOP 4 Density Transfer Project) and May 11, 2020 (for original Phase 4 Precise Plan)
5. San Mateo County Airport Land Use Commission Resolution 22-30

***ASSOCIATED FILES AND EXHIBITS***

1. Draft CEQA Resolution (22-365)
  - A. Original CEQA Findings adopted by Resolutions 18-2010 and 43-2013
  - B. 2022 Supplemental EIR
  - C. Supplemental Mitigation Monitoring and Reporting Program
2. Draft Entitlements Resolution (20-366)
  - A. General Plan Amendment
  - B. Zoning Text Amendment Ordinance
  - C. Gateway Business Park Master Plan Modification (revised pages only)
  - D. GOP 4 Precise Plan Modification Plans
  - E. Draft City Council Ordinance
    - i. Attachment 1 - Third Amendment to the Second Amended and Restated Development Agreement
  - F. GOP Phase 4 Density Transfer Project Draft Conditions of Approval