



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Rita M. Pann</i> 28 Nov 2018		GENERAL MANAGER ACTION REQ'D:		
DATE: 11/16/2018		BOARD INITIATED ITEM: No		
Originator/Prepared by: Kimberly Koempel Dept: Systems Development <i>Kimberly Koempel</i> Signature/Date: 11/28/2018	General Counsel <i>[Signature]</i> 11/28/18 []	Controller/Treasurer <i>Chris Gao</i> 11/28/18 []	District Secretary []	BARC <i>[Signature]</i> 11/28/2018 []

Approve Millbrae Bart TOD Project and Adopt Findings, SOC, and MMRP for Project under CEQA

PURPOSE:

To have the Board of Directors: 1) review the Millbrae Station Area Specific Plan Final EIR ("Final EIR"), which consists of the Draft Environmental Impact Report and responses to comments on environmental issues and modifications to the Draft EIR, prepared by the City of Millbrae ("City"), adopt updated Findings, a Statement of Overriding Considerations ("SOC") and a Mitigation Monitoring Reporting Plan ("MMRP") relating to the Millbrae BART Transit Oriented Development, in accordance with the California Environmental Quality Act ("CEQA"). 2) approve changes to the Millbrae BART Transit Oriented Development Project and 3) Delegate to the General Manager the authority to approve changes to the Millbrae BART Transit Oriented Development in certain circumstances

DISCUSSION:

On February 14, 2013 the Board of Directors authorized staff to enter into an exclusive negotiation agreement ("ENA") with Republic Millbrae LLC ("RUP") regarding transit-oriented development on BART property located in the City of Millbrae at the BART Station and identified in the EIR as the TOD #2 Plan Area ("Project" or "TOD #2 Project). On October 19, 2014, the 18-month ENA was extended for another 18 months and again on April 14, 2016 for another 12 months.

On January 12, 2016, the Millbrae City Council certified the Final EIR and on February 9, 2016 adopted the Millbrae Station Area Specific Plan. At that time, the City did not adopt

Findings, a Statement of Overriding Considerations, or a Mitigation Monitoring and Reporting Program for the TOD #2 Project.

On June 23, 2016, the Board of Directors voted to approve the TOD #2 Project and, acting as a responsible agency under CEQA and after considering the Final EIR, adopted the Findings, Statement of Overriding Considerations (SOC) and Mitigation Monitoring and Reporting Program (MMRP) for the TOD #2 Project.

On April 10, 2018, the City of Millbrae approved the TOD #2 Project including changes from the project evaluated in the Final EIR and adopted Findings, a SOC, and a MMRP. The Project approved by the City differs from the project approved by the BART Board of Directors in the following ways:

1. The number of hotel rooms increased to 164, a net increase of 38 units;
2. A net decrease of 5,999 square feet of office space and 2,411 square feet of retail spaces;
3. The number of residential units increased to 400, a net increase of 24 units. In addition, the amount of affordable housing units was increased 75 to 100 units.

The Project currently includes 4 buildings. One building includes 151,853 sq. ft. of office with 22,586 square feet of ground floor retail. The second building contains 300 residential units with 20 units affordable to moderate income qualified applicants and includes 13,750 sq. ft. of ground floor retail. The third building is a 164-room hotel with 7,840 square feet of ground floor retail. There is an 80-unit veteran's preferred affordable housing building. The Project also includes enhanced pedestrian and bicycle infrastructure and a new plaza that will be maintained and activated by the development.

The only difference between the project approved by the City of Millbrae and the Project currently being proposed to the BART Board of Directors relates to the amount of BART parking. The final EIR project description included 317 surface spaces for BART in addition to the existing BART parking garage. The City-approved Project included an increase in BART surface parking to 392. However, as the design for the development has progressed it has become infeasible to include that much BART surface parking. The exact number of BART surface parking is still under negotiation but will be closer to the original 317 spaces contemplated in the EIR.

The Project site is in an area that is the subject of the Millbrae Station Area Specific Plan ("MSASP"). The MSASP analyzed a mix of uses that includes office, restaurant/retail, residential, and hospitality. The MSASP is intended to "provide the vision and strategies to guide in the creation of the Millbrae's new economic center, including vibrant, diverse and sustainable transit-oriented developments at and around the station". The related Final EIR serves as a program-level document that analyses the potential impacts of adopting and implementing the MSASP and its buildout potential, along with the associated General Plan

and Zoning amendments. The Final EIR also serves as a project-level document that analyzes the potential impacts of constructing and operating the TOD #2 Project.

On April 10, 2018 the City of Millbrae took the following actions related to the Project:

- Approved a resolution making findings concerning significant impacts of the project, adopting a statement of overriding considerations and adopting a Mitigation Monitoring and Reporting program, based on a final Environmental Impact Report certified by the city council on January 12, 2016, all in accordance with the California Environmental Quality Act (CEQA);
- Approved the development agreement for the Project to grant increases in development intensities and other benefits to the Project in exchange for community benefits including the provision of affordable housing and specific timeframe for construction of a hotel on property located in the transit-oriented development zone of the Millbrae station area specific plan; and
- Adopted resolutions approving the Site Development Plan to allow construction of four new structures, a Conditional Use Permit for Commercial Lodging in Building 6B, and a Vesting Tentative Map to allow the merger and subdivision of existing parcels totaling 16.9 Acres into six parcels, including 4 development parcels, a parcel for the existing Millbrae Intermodal Station and Parking Garage, and a parcel for a surface parking lot.

BART is a responsible agency under CEQA for the TOD #2 Project. As a responsible agency, BART must consider the Final EIR prepared by the City and reach its own conclusions regarding the adequacy of those portions of the EIR relating to the TOD #2 Project. In June 2016, the Board of Directors and BART staff reviewed the Final EIR as certified by the City, and the Board of Directors adopted Findings, Statement of Overriding Considerations and a Mitigation Monitoring Reporting Program for the Project. However, because the project has changed since the Board took action and the City has approved the revised TOD #2 project as the lead agency under CEQA, staff is recommending that the Board of Directors review the Final EIR and reach its own conclusions regarding the adequacy of those portions of the EIR relating to the revised TOD #2 Project and adopt updated Findings, a Statement of Overriding Considerations ("SOC") and a Mitigation Monitoring Reporting Plan ("MMRP") which conform to the actions that the City of Millbrae took on April 10, 2018.

BART staff has reviewed the Final EIR and prepared Findings, an SOC, and an MMRP for the revised Project which can be found along with the Final EIR on BART's website at <https://www.bart.gov/about/business/tod/millbrae>

Currently BART and RUP are in negotiations on a Lease Option Agreement. The current development schedule anticipates construction to begin in summer of 2019.

FISCAL IMPACT:

There is no fiscal impact from the proposed action.

ALTERNATIVES:

If the BART Board determines that evidence of CEQA compliance is inadequate, additional analysis would be required to address any deficiencies identified by the Board.

RECOMMENDATION:

It is recommended that the Board adopt the following Motion.

MOTION:

After review and consideration of the Final EIR certified by the City of Millbrae on February 9, 2016 and the actions taken by the City on April 10, 2018, the Board:

- 1) Adopts the Findings, Statement of Overriding Consideration and Mitigation Monitoring and Reporting Program for the TOD #2 Project;
- 2) Finds that changes or alterations have been required in, or incorporated into, the project which mitigate or avoid significant effects on the environment;
- 3) Finds that for the significant and unavoidable effects of the TOD #2 Project identified in the final EIR, specific economic, legal, social, technological or other considerations make mitigation measures or alternatives identified in the EIR infeasible and specific overriding economic, legal, social, technological or other benefits of the project outweigh the significant effects on the environment, as identified in the Final EIR and the Statement of Overriding Considerations;
- 4) Approves changes to the TOD #2 Project;
- 5) Delegates to the General Manager or her designees the decision to approve or disapprove any additional modifications to TOD #2 Project as described in the Project Description contained in the Final EIR, based upon the General Manager or her designee's determination that appropriate environmental analysis of such modifications has been performed by the City of Millbrae as lead agency pursuant to CEQA and that such environmental analysis

concludes that the modifications will not result in any new significant environmental effects not considered in the Final EIR or a substantial increase in the severity of previously identified significant effects.