

**ADDENDUM #5 TO FINAL ENVIRONMENTAL IMPACT REPORT-
SAN MATEO RAIL CORRIDOR TOD PLAN AND
BAY MEADOWS PHASE II SPECIFIC PLAN AMENDMENT
(Certified by the San Mateo City Council on April 18, 2005, June 6, 2005 and
November 7, 2005)**

1.0 INTRODUCTION

The California Environmental Quality Act (“**CEQA**”) requires public agencies to analyze and consider the environmental consequences of their decisions to approve development projects over which they exercise discretion. CEQA achieves this objective by requiring agencies to prepare Environmental Impact Reports (“**EIRs**”) for projects with the potential to cause significant impacts on the physical environment. EIRs are public documents that assess environmental effects related to the planning, construction, and operation of a project, and indicate ways to reduce or avoid possible environmental damage. An EIR also discloses growth-inducing impacts, effects found not to be significant, significant cumulative impacts, and significant impacts that cannot be avoided, if any. The purpose of an EIR is to inform. EIRs are not policy documents that recommend project approval or denial.

As lead agency, the City of San Mateo prepared an EIR for the San Mateo Rail Corridor Transit-Oriented Development Plan and the Bay Meadows II Specific Plan Amendment (“**Specific Plan Amendment**”), in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code, section 21000 *et seq.*) and the State CEQA Guidelines (California Code of Regulations, Section 15000 *et seq.*, as amended). The City Council certified the final EIR for the San Mateo Rail Corridor Transit-Oriented Development Plan & Bay Meadows II Specific Plan Amendment (“**Final EIR**”) at a public hearing on April 18, 2005, approved the San Mateo Rail Corridor Transit-Oriented Development Plan, re-certified the Final EIR for that Plan, and adopted the findings and statement of overriding considerations at a public hearing on June 6, 2005 and approved the Specific Plan Amendment, re-certified the Final EIR for that project, and adopted the findings and statement of overriding considerations at a public hearing on November 7, 2005. As noted at pages 1-6 of the Final EIR, the analysis in the Final EIR was at a “project” level of detail, which anticipated the potential impacts of future discretionary approvals to implement the project. The Final EIR expressly states that applications for subsequent Site Plan and Architectural Review (“**SPAR**”) would not require preparation of subsequent environmental documentation, unless otherwise required by CEQA Section 21166 and CEQA Guidelines Section 15162.¹

¹ Public Resources Code Section 21166 and CEQA Guidelines Section 15162 limit the ability of an agency to require an additional EIR, once one has been certified for a project. Section 21166 and Section 15162 provide that when an environmental impact report has been prepared for a project, no subsequent or supplemental environmental impact report will be required unless certain specified events occur. These events include (a) substantial changes are proposed in the project which will require major revisions of the environmental impact report; (b) substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report; or (c) new information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available, and the new information shows that (i) the project will have one or more significant effects not discussed in the previous EIR or negative declaration; (ii) significant effects previously examined will be substantially more severe than shown in the previous EIR; (iii) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or

In its approval of Bay Meadows Phase II SPAR Application #1 (PA 07-054), the City Council adopted an Addendum to the Final EIR (“Addendum # 1”), concluding that none of the criterion in CEQA Section 21166 or CEQA Guidelines Section 15162 had been met that would require preparation of a subsequent or supplemental EIR and that an Addendum was appropriate. The Planning Commission relied upon the Final EIR and Addendum #1 in adopting Findings for Approval related to CEQA compliance for SPAR #2 (including RES 4), concluding that the approval of SPAR #2 did not require preparation of a subsequent or supplemental EIR. In connection with its approval of a subsequent SPAR for the Nueva High School (PA 12-051), the City prepared Addendum #2 to the Final EIR, concluding that the approval of the SPAR for the Nueva High School also did not require preparation of a subsequent or supplemental EIR. In connection with its approval the preferred alignment option for the Norfolk Street Sanitary Sewer Connection that was required to be installed for the Bay Meadows Phase II project as a mitigation measure of the EIR, the City prepared Addendum #3 to the Final EIR, concluding that the approval of the preferred alignment option also did not require preparation of a subsequent or supplemental EIR. Subsequently, in connection with modifications to the project approved under SPAR #2 for RES 4, the City prepared Addendum # 4 to the Final EIR, concluding that approval of these modifications to RES 4 did not require preparation of a subsequent or supplemental EIR.

The project proponent has now proposed modifications to SPAR Application # 1 relating to Station Block 1 and Station Block 5.

Where a subsequent or supplemental EIR is not required under Section 21166, CEQA Guidelines Section 15164 explains when an addendum to an EIR might be required:

15164. Addendum to an EIR or Negative Declaration.
- "(a) The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.
 - (b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
 - (c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.

more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or (iv) mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

For the reasons described in Section 3.2 hereof, the City has determined that none of the circumstances requiring preparation of a subsequent or supplemental EIR are present for the subject SPAR application.

- (d) The decision-making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.
- (e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency's required findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence."

2.0 PROJECT IMPLEMENTATION AND BACKGROUND

As required by the Specific Plan Amendment (page V-22), the project applicant obtained City Council approval of SPAR #1 (PA 07-054) on April 21, 2008. In pertinent part, SPAR #1 approved the development of approximately 750,000 square feet of office space throughout Station Blocks 1 through 5 and Mixed Use Blocks 1 through 4.

Within Station Block 1, SPAR # 1 included a single building containing 92,267 square-feet of office space and 5,794 of ground floor "active" commercial use and a 6-story freestanding parking garage with 718 parking stalls. The office and ground floor commercial uses required 265 parking stalls. The 453 surplus stalls were for off-site parking for office employees and visitors and retail employees in the Station Blocks 2, 3, and 4; and for the office, retail, and restaurant employees in the Mixed-Use Blocks 2, 3 and 4 and retail employees in the Residential 7 Block.

Within Station Block 5, SPAR # 1 included a single building containing 98,338 square-feet of office space and 4,098 of ground floor "active" commercial use and an attached above and below-grade parking garage with 285 parking stalls. The office and ground floor commercial uses required 268 parking stalls, so there was an excess supply on this block of 17 stalls. This block also reserved a one-acre site for the Peninsula Corridor Joint Powers Board (JPB) to construct an approximately 500-space parking structure there to be utilized by Caltrain riders, as required by Condition of Approval # 54 of the Specific Plan Amendment (PA 02-105). However, the Condition of Approval required only that the one-acre site be provided "for sale or lease" and only "if requested" by the Joint Powers Board. On October 28, 2016, the JPB formally released the obligation of the requirement that this land be made available, because the current plan for the development of the Hillsdale Station, concurrent with the grade separation of 25th, 28th, and 31st Avenues, will not necessitate the construction of a parking structure associated with the Hillsdale Station on Bay Meadows property.

As part of its approval of SPAR #1, the City Council adopted certain Findings for Approval related to CEQA compliance (Exhibit A to SPAR #1 Administrative Report for the City Council Public Hearing) (the "**SPAR #1 Findings for Approval**") in which is determined that the scope of SPAR #1 is within the scope of the project considered in the Final EIR and Addendum #1.

The project applicant has now submitted a SPAR application for Station Blocks 1 and 5 to modify the existing SPAR #1 approvals for these two Station Blocks:

For Station Block 1, the modification would (1) increase the office building in size from 92,267 square-feet to approximately 184,205 square feet; (2) eliminate the 5,794-square-foot ground

floor “active” commercial use; and (3) replace the 6-story freestanding parking garage with four levels of parking (two below grade and two at/above grade) containing 444 parking stalls.

For Station Block 5, the modification would (1) increase the office building in size from 98,338 square-feet to approximately 183,283 square feet; (2) reduce the ground floor commercial use from 4,098 square-feet to 2,378 square-feet; and (3) in accordance with JPB decisions, eliminate the one-acre lot set aside for a possible future Caltrain parking garage and provide 749 parking stalls (an increase of 464 parking stalls). Together with the changes to Block 1, this results in an increase in office square footage of approximately 176,883 square feet but a decrease in ground floor “active” commercial use space of 7,514 square feet.²

The proposed application includes other minor modifications to the originally approved Station Blocks 1 and 5 design (including a design exception within Station Block 5 that would allow a small area of approximately 800 square feet adjacent to the rail corridor to use an additional story (four stories in lieu of three stories) while providing an enhanced setback (53 feet three inches in lieu of ten feet required), all as more particularly described in the City of San Mateo planning application materials that which will be considered together with this Addendum (collectively, the “**Bay Meadows Phase II SPAR #1 Station Blocks 1 and 5 Modification**”).

The purpose of this Addendum is to analyze the project application for the Station Blocks 1 and 5 Modifications, and to determine whether the Station Blocks 1 and 5 Modifications fall within the previously analyzed envelope of impacts specified in the Final EIR and all subsequent Addenda thereto.

After reviewing the facts and analyzing the circumstances, the San Mateo City staff has determined that a new EIR is not required because none of the circumstances described in CEQA Section 21166 as implemented by CEQA Guidelines Section 15162 is present. Staff has prepared this Addendum to discuss these issues and the basis for this determination.

3.0 PROJECT IMPACTS RELATED TO TRAFFIC AND AIR QUALITY

3.1 Description of the Issue

The Specific Plan Amendment as analyzed in the Final EIR anticipated a base program of 1,250,000 square feet of office uses, 1,250 residential units and 150,000 square feet of retail uses (the “**Base Program**”). A minimum of 1,000 units and 500,000 square feet of office are required to be provided at build-out of the project under the Specific Plan Amendment (the Final EIR studied the impacts of a range of development intensity within the Bay Meadows project and the larger San Mateo Rail Corridor that informed the City of the impacts that would result at this level of development).

If the Station Blocks 1 and 5 Modifications are approved, the amount of office space contained in the Station and Mixed Use blocks approved at full buildout would equal approximately

² All building square footages and parking calculations contained in this Addendum are based on submitted planning application plan drawings. Final building square footages and parking calculations in the final building permit plans shall substantially conform with the approved planning application.

943,263 square feet of office space in addition to the commercial space utilized for the Nueva High School (approved pursuant to PA 12-051). This overall program is within the Base Program analyzed under the Final EIR.

Staff has identified only two potential impacts related to the proposed Station Blocks 1 and 5 Modifications that warrant further discussion in this Addendum: traffic and traffic-related air quality. The issues presented are (1) whether traffic generated by the proposed Station Blocks 1 and 5 Modifications would cause the overall project to exceed the trip generation studied in the EIR, and as a result, create new significant environmental effects or result in a substantial increase in the severity of previously identified significant effects related to traffic; and (2) whether an increase in traffic would cause the overall project to exceed the trip generation studied in the EIR, and as a result, create new significant air quality impacts or result in a substantial increase in the severity of previously identified significant impacts related to air quality.

Staff has concluded that issues related to analysis of climate change impacts in CEQA documents have already been addressed in Addendum #1. In addition, because staff approval of the Station Blocks 1 and 5 Modifications must ensure consistency with the design guidelines and standards set forth in the Specific Plan Amendment and the Phase II Design Guidelines and Development Standards, the Station Blocks 1 and 5 Modifications do not reflect a change in the project previously approved under SPAR #1 or in the project analyzed under the Final EIR and Addenda with respect to land use or visual resources.

3.2 Application of CEQA Guideline Section 15162

Is there substantial evidence in the record revealing that there have been substantial changes proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects as a result of the Station Blocks 1 and 5 Modifications?

No, there is no evidence suggesting that any changes to the project have been proposed that will result in new significant environmental effects or substantial increase in the severity of previously identified significant effects. As noted above, the Final EIR analyzed the impacts of the Specific Plan Amendment authorizing the Base Program at build out. The proposed Station Blocks 1 and 5 Modifications authorize the construction of approximately 367,488 square feet of office space. Although this represents an increase compared to the square footage approved under SPAR #1, the total amount of office square footage proposed for the overall project is approximately 306,737 square feet less than that approved under the Specific Plan Amendment Base Program. The proposed use is therefore consistent with the Specific Plan Amendment that was analyzed in the Final EIR and remains consistent with the minimum and maximum development limits analyzed in the Final EIR. EIRs do not expire, and under applicable law, as long as the analysis remains valid, and there is no evidence of new impacts from the project on the environment, no new EIR or other CEQA documentation is required.

Station Blocks 1 and 5 Modifications are subject to the final conditions of approval for the Specific Plan Amendment that created a “trip budget” to limit the amount of development that could be constructed depending upon the construction of the required grade separated crossings

over the Caltrain tracks. The *Bay Meadows II Traffic Management Plan* prepared by Kimley-Horn and Associates, Inc., originally prepared on March 17, 2008 and most recently in August 24, 2018 (latest update attached as Attachment 1 hereto) (the “**TMP**”) establishes the trip budget for each individual block at the Bay Meadows II project site (including Station Blocks 1 and 5) and identifies how the trip generation of the project for each phase of development and at full build-out is expected to stay within the applicable trip caps and meet applicable trip reduction goals established in the Conditions of Approval #40 of the Specific Plan Amendment.

Pursuant to the conditions of approval, once construction at either or both the 28th and 31st Avenue grade-separations has commenced, and a minimum of site development has been completed and occupied, the Conditions of Approval establish increased trip reduction goals as compared to the pre-grade separation condition. The trip reduction goals are measured in two ways, (1) in the SPAR approval process the project is required to estimate the maximum number of trips allowed under the trip reduction goal in each stage (i.e., trip budget), and (2) after completion and occupancy, the actual number of trips generated are monitored and compared to the maximum number of trips allowed.

The TMP analyzed build-out of the project including the Station Blocks 1 and 5 Modifications. It concludes that with the elements available to Bay Meadows, it is estimated that the at buildout, the program approved by the SPARs (including the Bay Meadows Phase II SPAR #1 Station Blocks 1 and 5 Modification) will achieve a 27.2% trip reduction in the a.m. peak hour and 29.7% reduction in the p.m. peak hour. This exceeds (i.e., improves upon) the minimum 25% trip reduction goal at build out. At buildout, the project is estimated to generate a total of 1,791 trips in the p.m. peak hour which is 778 trips under the maximum trip cap of 2,569 for phase III of the post-grade separation conditions.

Therefore, with implementation of the measures set forth in the TMP, the level of vehicular trips generated by the proposed Station Blocks 1 and 5 Modifications would fit within the EIR analysis and therefore would not involve new significant traffic or transportation impacts or a substantial increase in the severity of previously identified significant traffic or transportation impacts above that analyzed in the EIR.

Additionally, in accordance with the adopted mitigation measures, the City is continuously monitoring traffic and other impacts. The current project data show that actual project impacts are well below the predicted levels of traffic approved as part of the Specific Plan in 2005. Based upon October 2017 on-the-ground traffic monitoring data, the Bay Meadows Phase II project is generating 57.8% fewer trips than mandated by the trip budget imposed as mitigation in the 2005 EIR analysis (1,110pm peak hour estimated trips based on ITE Trip Generation Rates vs. 468 actual counted trips). However, it should be noted that these actual counted trips currently include only driveway counts on the blocks within Bay Meadows where development has been completed and is mostly (but not 100%) occupied. Complete monitoring of all sources of project-associated traffic will begin when the project is anticipated to generate more than 1,100 new pm peak hour trips and that official monitoring will encompass a full neighborhood monitoring plan that will extend beyond driveway counts to include project-related trips generated by on-street parking. This monitoring by the City of San Mateo will continue on an annual basis, including following approval of the Station Blocks 1 and 5 SPAR Modifications.

In connection with the Station Blocks 1 and 5 Modifications, the project sponsor also submitted an August 24, 2018 update to the original 2008 Parking Management Plan (latest update attached as Attachment 2 hereto and incorporated by reference herein) (the “PMP”). Based on the current development program identified in the PMP (which includes the Station Blocks 1 and 5 Modifications), the updated PMP concludes that parking ratios for office buildings in Station Blocks 1 and 5 would be 2.60 spaces per 1,000 gross square feet, which is within the Specific Plan standards. The proposed project complies with the parking standard requirements. Therefore, the proposed Station Blocks 1 and 5 Modifications would fit within the applicable parking standards analyzed under the Final EIR, and therefore would not involve new significant impacts or a substantial increase in the severity of previously identified significant impacts above that analyzed in the EIR.

Because the level of vehicular trips generated by the proposed Station Blocks 1 and 5 Modifications would fit within the EIR analysis, the Station Blocks 1 and 5 Modifications would likewise not result in any increase in trips that would cause any new or substantial increases in the severity of previously identified air quality impacts related to trip generation from the project.

Is there substantial evidence in the record revealing that there have been substantial changes with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects?

There is no evidence suggesting that there have been substantial changes with respect to the circumstances under which the project is undertaken which will require major revisions to the previous EIR. Issues related to the grade separations and global climate change have already been addressed in Addendum #1, which Addendum is incorporated by reference herein. Information related to traffic has been addressed in the attached TMP described above, which TMP is incorporated by reference herein. Because the TMP concludes that the trips generated by the project, including the Station Blocks 1 and 5 Modifications, is within the EIR analysis, the Station Blocks 1 and 5 Modifications would not result in any new or substantially increased air quality impacts related to trip generation.

Because the additional development included in the pending Station Blocks 1 and 5 Modifications was already analyzed as part of the aggregate development previously approved and does not generate any new or different impacts than were previously disclosed in the 2005 EIR, no further CEQA review is required.

Is there substantial evidence in the record revealing that there is new information of substantial importance which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified that shows: (1) the project will have one or more significant effects not discussed in the EIR, (2) significant effects previously shown will be substantially more severe than shown in the previous EIR, (3) mitigation measure or alternatives previously found to be infeasible would in fact be feasible, or (4) there are considerably different mitigation measure or alternatives from those analyzed in the previous EIR that would substantially reduce one or more significant effects?

No, there is no evidence suggesting that there is new information of substantial importance relating to new significant effects or the severity of previously identified significant effects, or new alternatives or mitigation measures or the efficacy of previously considered alternatives or mitigation measures. Issues related to global climate change have already been addressed in Addendum #1. The proposed use and intensity of development proposed under the Station Blocks 1 and 5 Modifications are permitted under the Specific Plan and have been considered in the EIR and subsequent addenda thereto. Therefore, the Station Blocks 1 and 5 Modifications do not represent new information but constitutes information that was known at the time of the EIR certification.

4.0 BASIS FOR DECISION TO PREPARE AN ADDENDUM

Although there have been no changes to the project studied in the EIR, this addendum is appropriate because some changes or additions are necessary to discuss the change in the amount of office development from that approved under SPAR #1, but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.

More specifically, the Station Blocks 1 and 5 Modifications are within the overall project analyzed under the Final EIR and all subsequent Addenda thereto and do not constitute a substantial change to the project or the circumstances due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

5.0 ADDITIONAL SUPPORT DEMONSTRATING THAT NO FURTHER CEQA REVIEW IS REQUIRED BASED ON THE LIMITED SCOPE OF THE SPAR REVIEW

There is also a separate and independently sufficient reason why no CEQA review beyond this Addendum is required: Although the SPAR is a “discretionary” approval subject to CEQA, the scope of what the City may regulate through the SPAR is limited to design review, and ensuring consistency with the Specific Plan. Because of the Bay Meadows Phase II Development Agreement adopted pursuant to California Government Code section 65865 *et seq.*, which “vests” the approvals and legal regulations applicable to the Bay Meadows project, and prohibits the City from imposing further or additional exactions on the development. The City therefore has no regulatory authority to reduce the amount of development through the SPAR process, and cannot lawfully impose new exactions or fees. Accordingly, there is no “nexus” between the design review conducted as part of the SPAR process, and any information that would be developed as part of an additional CEQA review. Case law has made clear that additional CEQA review is only authorized when the agency has the authority to address the environmental concerns that may be raised in the subsequent analysis. The corollary is that where no authority to mitigate impacts exists, no further CEQA review can be required. (*San Diego Navy Broadway Complex Coalition v. City of San Diego* (2010) 185 Cal. App. 4th 924). Given the limited nature of the SPAR review (limited to design review and Specific Plan Amendment compliance), additional CEQA review cannot be required for the SPAR.

Attachment 1: Bay Meadows II Traffic Management Plan [Kimley-Horn and Associates, Inc., updated August 24, 2018]

Attachment 2: Bay Meadows II Parking Management Plan [Kimley-Horn and Associates, Inc., updated August 24, 2018]