

October 7, 2020

E-MAIL AND HAND DELIVERY

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Public Benefit Proposal
Project at 2645 and 2655 Fayette Drive (the "Project")

Dear Ms. Shrivastava and Ms. Williams and Mr. Anderson:

Thank you for your letters dated June 6, 2019 and September 10, 2019, regarding Octane Fayette, LLC (the "Project Sponsor")'s Project. On December 6, 2016, the City Council approved a Gatekeeper authorization to allow the Project to be rezoned from R3-D into the adjacent P-40 (San Antonio) Precise Plan. On April 23, 2019, Planning Division staff presented the Project to the City Council at a Study Session and received feedback from Council regarding Public Benefit. In response your comments and that feedback, the Project Sponsor is pleased to propose the following Public Benefit related to the Project.

Tier 1 Intensity

The Precise Plan allows the project site to be developed at a "Tier 1" Intensity of 1.85 FAR, subject to the contribution of a public benefit that provides public improvements or equivalent resources to improve the quality of life for the community and to help implement the Precise Plan. The Project Sponsor proposes to provide a total Public Benefit based on the Market Rate square footage above 1.35 FAR at a rate of \$24.01 per square foot. The combination of private and public area associated with the five (5) Below Market Rate ("BMR") units is approximately 4,520 square feet. Therefore the Market Rate square footage above 1.35 FAR and excluding the area associated with the BMR units is 26,956 square feet ($(2.50 - 1.35 = 1.15 \text{ FAR}; 1.15 * 29,049 = 33,406; 33,406 - 4,605 = 28,801)$). Consequently, the total value of the Public Benefit proposed is \$691,512 ($28,801 * 24.01 = \$691,512$).

Fayette Drive Crosswalk

The Project Sponsor proposes to provide a crosswalk across Fayette Drive to facilitate pedestrians with access to public parks. The proposed crosswalk is estimated to cost \$117,000. It is likely that the vast majority of those using the crosswalk will not be residents of the Project and the Project Sponsor proposes to consider 75% of that cost, or \$87,750, as a Public Benefit contribution.

Fayette Condominiums Plaza

As discussed in the Study Session with Council in April of 2019, the Project Sponsor redesigned a private courtyard and proposes to provide a publicly accessible plaza area with seating and tables. This area will be shared by the residents of the Fayette Condominiums and the public alike. This plaza of approximately 1,600 square feet will be a convenient area for relaxation between the Hetch Hetchy linear park and the new crosswalk which will provide easy access to the new public park on the other side of Fayette Drive. Although the Project Sponsor believes this plaza will be both aesthetic and functional and used by many in the neighborhood, there is no request for monetary credit toward the proposed Public Benefit.

Fayette Condominiums HOA Escrow

Recognizing that the HOA fees associated with ownership may prove overly burdensome to Very Low Income and Low Income households that purchase the BMR units, the Project Sponsor proposes that an escrow account be established and funded in the amount of \$250,000. This amount would also be considered a Public Benefit contribution.

Mountain View City Priorities

The remainder of the \$691,512 of Public Benefit, or \$353,762, would be contributed directly to the City to be used as its priorities merit.

Public Benefit Summary

Public Benefit Summary

1. Fayette Drive Crosswalk	\$87,750
2. Fayette Condominiums HOA Escrow	\$250,000
3. <u>Direct monetary payment:</u>	<u>\$353,762</u>
Total Value of Public Benefit:	\$691,512

Please let us know if you require any additional information. Thank you for your consideration of this Public Benefit proposal. We look forward to presenting the Project to City Council for its approval.

Sincerely,

Emeric J. McDonald
Managing Member, Octane Fayette, LLC

cc: Krishan Chopra, Esq., City Attorney (krishan.chopra@mountainview.gov)
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