

November 2, 2018

*The City of Mountain View
City Hall
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Mountain View, CA 94041-2010
Attn: Dan Rich*

The Village at San Antonio Center – Facebook’s Food Service Plan

Facebook is pleased to submit to the City of Mountain View the following Food Service Plan for your consideration. As you know, Facebook recently agreed to a license agreement with WeWork for all of the available office space at 391 and 401 San Antonio Road (the “Office Project”), which is located within San Antonio Center (the “Center”). Facebook is targeting this November 2018 for our proposed first day of business (“FDOB”), so we are hopeful that we can satisfy all outstanding conditions of approval which are needed for a certificate of occupancy as quickly as is possible. The primary condition of approval (or “COA”) that still requires City sign-off, however, is the “Cafeteria Condition,” which applies to the Center.

Executive Summary

Facebook currently provides meals to our employees and contractors throughout the vast majority of our global offices, and our preference is to provide the same level of meal service at the Office Project; however, during our recent discussions with City staff, we learned that the City is concerned that this practice may conflict with the Cafeteria Condition. Facebook then began to work closely with City staff to both develop a better understanding of the intent behind the original Cafeteria Condition and identify opportunities to adjust Facebook’s food service program to meet these objectives. As an outgrowth of these discussions, a revised Cafeteria Condition is being recommended by staff to clarify City objectives and incorporate targets, which Facebook knows that it can comply with. Under the revised condition, if Facebook elects to subsidize meals at the Office Project by 50% or more, we will:

1. Source at least 50% of subsidized meals from Center restaurants, to the extent existing Center restaurant capacity exists; and
2. Within one year of occupancy, implement a mechanism to allow Facebook employees and contractors to purchase and consume at least 50% of the subsidized meals sourced from Center restaurants in-person at the restaurants, rather than in the office space, on a regular daily basis.

We are confident that the food service plan outlined below will comply with the intent of the original condition and the recommended criteria in the revised Cafeteria Condition, as at least 50% of the meals we intend to serve will be purchased from the Center’s restaurants (to the extent such capacity exists), and over the course of our first year of occupancy, we will implement a debit card or similar system to

incent direct employee meal purchasing at Center restaurants. The remainder of this proposal offers a brief outline of our proposed plan and how it will satisfy the revised Cafeteria Condition.

Facebook's Proposed Headcount & Meal Requirements

As of our FDOB this fall (which shall occur as soon as an occupancy permit is issued by the City), the Office Project will be staffed with approximately 800 employees and 200 contractors (1,000 people total). While maximum demand could hit approximately 3,000 total meals per day, we expect that we'll require approximately 1,000 meals per day for lunch and 500 meals per day for each of breakfast and dinner (approximately 2,000 meals total per day).

In February of 2019, Facebook is currently projecting to increase its total staff at the Office Project to up to 900 employees and 800 contractors (1,700 people total). This would equate to a projected demand of approximately 3,400 meals per day and a maximum demand of approximately 5,100 meals per day.

By August of 2019, Facebook is currently projecting to increase its total contractor staff at the Office Project to up to 1,000 or more contractors. As of this time, it is unclear whether employees will remain in the Office Project or not after August of 2019. Regardless, after August of 2019, we anticipate that we will still require approximately 2,000 meals per day at a minimum.

Current Limitations

Our preliminary research indicates that the existing Center restaurants cannot produce 2,000 – 5,100 Facebook meals per day, let alone additional meals for the general public. Only 2 restaurants offer limited breakfast options (Nektar and Starbucks), which will not support a total daily breakfast need of between 500 - 1,700 meals. For lunch and dinner, only 4 have kitchens sizable enough for production of significant volume at one time. There are also limited variety and price points: 5 of the 13 offer Asian cuisine; only 1 is vegetarian; 2 are strictly beverage focused with limited menus; and 3 have average menu prices beyond the budgeted per person meal allowance. We are in the midst of a capacity study of the current Center restaurants, which should soon reveal a more accurate number of the total meal output that these restaurants can supply as of our FDOB.

Facebook's Proposed Food Service Plan

Phase I – 1st 12 Months of Occupancy

To meet the first requirement of the revised COA's "patronizing Center restaurants" exception, during Facebook's initial 12-month ramp up period and thereafter, Facebook will purchase at least 50% of the total meals it will provide to its employees and contractors from Center restaurants (provided that they can sufficiently meet our capacity needs). From our preliminary research, 50% of Facebook's total meal requirement will amount to approximately 100% of the Center restaurants' collective capacity as of our FDOB; however, we will revise this percentage once our capacity study is finalized.

For the remaining 50% of Facebook’s total meal requirement, we currently anticipate that 25% of those meals will be sourced from other Mountain View restaurants and catering vendors (outside the Center) and 25% from elsewhere (outside of Mountain View) to meet the volume, pricing and variety of meals needed for Facebook workers at this location. We will aim to prioritize other Mountain View businesses over those outside of the City, but our preliminary research indicates that the other local Mountain View restaurants and vendors may not initially have the capacity to serve the entirety of the remaining 50% of our total meal needs. If, however, our capacity study reveals that other local Mountain View businesses already possess such capacity or can increase it, we will work toward maximizing meal sourcing from these Mountain View businesses before looking outside of the City.

<i>Proposed Phase I Meal Sourcing Breakdown</i>	
50%	Center restaurants <i>(to the extent capacity exists)</i>
25-50%	Other Mountain View restaurants and vendors
0-25%	Restaurants and vendors outside of Mountain View <i>(to the extent capacity does not exist in Mountain View)</i>

Facebook will work with food service technology platforms like Waiter.com and Eat Club in order to allow employees and contractors to pre-order all meals (those sourced from both the Center restaurants and other outside restaurants and caterers) online for delivery or pick-up. To maintain our company culture of encouraging (and protecting the confidentiality of) robust discussions about company intellectual property and trade secrets over meals, all employee meals will be delivered into the Office Project for consumption. This is consistent with Facebook policy throughout our office portfolio for company-provided meals, and we would prefer to adhere to our longstanding company policy and culture here at the Office Project. This policy and these confidentiality concerns do not extend to contractors in the same manner, so contractors will have the option online to select either in-office delivery or pick-up from the Center and other local restaurants.

We also believe that our 1,000 - 1,700 employees and contractors will want to periodically, if not daily, step outside their office buildings and into the Center below just to get outside of the office. We also have found at our HQ campus in Menlo Park, which offers several un-subsidized third-party coffee shops and one un-subsidized third-party Mexican restaurant, that our employees and contractors tend to frequent these establishments during the day and night just to get alternatives to Facebook’s standard meal offerings or to consume beer, wine and spirits with co-workers after work hours. Still, in order to help create more foot traffic in the Center during our first year of occupancy, Facebook is committed to exploring communications strategies and promotional opportunities (such as events and gift cards) to help raise awareness and incent direct employee purchasing at Center restaurants.

Phase II – 1st Anniversary of FDOB and Beyond

To meet the second requirement of the revised COA’s “patronizing Center restaurants” exception, over the course of our first year of occupancy, Facebook will transition away from the meal delivery system outlined above and implement a debit card or similar system in order to help incent more onsite meal ordering and consumption in the Center. While we have some preliminary concerns that a debit card system, specifically, will be feasible, we will explore it and other similar systems over the next 12

months, and by the 1st anniversary of our occupancy in the Office Project, we will identify and implement a system that meets with the approval of the City.

This 2-phase approach will also allow time for the existing Center restaurants to ramp up production and, possibly, seating capacity, and Facebook’s occupancy should incent and give new restaurants time to open in and around the Center, including a proposed WeWork food hall, which is in the planning stages but will not open until sometime in the next 12 months. As more capacity becomes available in the Center, and from other Mountain View restaurants and catering vendors more generally, Facebook will work toward maximizing meal sourcing from Center restaurants and other local Mountain View restaurants and vendors.

<i>Proposed Phase II Meal Sourcing Breakdown</i>	
50-100%	Center restaurants <i>(to the extent capacity exists)</i>
0-50%	Other Mountain View restaurants and vendors
0-25%	Restaurants and vendors outside of Mountain View <i>(to the extent capacity does not exist in Mountain View)</i>

Additionally, by the end of the first year, we will have robust data about the Center restaurants and Facebook’s meal program, which can be used to make any changes that may prove to be needed to Phase II of the meal program outlined above.

Reporting and Compliance

We suggest that reports confirming Facebook’s compliance with the revised Cafeteria Condition be submitted as follows:

- Quarterly reports during Phase I;
- Annual report on the 1-year anniversary of FDOB; and
- Recurring reports biannually (2 times each year) thereafter.

We sincerely appreciate the opportunity to present this Food Service Plan and are confident that we will deliver mutually beneficial outcomes to all stakeholders. We look forward to working together toward successful outcomes for the City of Mountain View and its residents.

Christopher Hom

Facebook

Real Estate Strategy & Planning