



April 24, 2015

Randy Tsuda
Director of Community of Development
City of Mountain View
500 Castro Street
Mountain View, CA 94041

RE: Shoreline Commons Public Benefits

Dear Randy:

We have reviewed the other applicant submittals to the City in connection with the Bonus FAR allocation process for North Bayshore and see that the applicants have taken different approaches in describing the “public benefit” packages associated with their proposed projects.

The approach taken by LinkedIn and Sywest focused primarily on off-site improvements such as a new bicycle/pedestrian bridge over 101, other transportation improvements, funding to remodel Mountain View’s public library, achieving a pathway to net zero energy usage and providing opportunities to preserve and promote local businesses. We did not, however, attempt to value the public benefits being offered by Shoreline Commons with specific dollar amounts, nor did we call attention to many on-site and other categories of “public benefit” which were identified as such in other submittals.

In order to enable a more accurate comparison between the various Bonus FAR submittals, we thought it would be useful to provide Staff with an overview of the public benefits that would be provided by the Shoreline Commons project as well as their estimated costs, consistent with those enumerated by other applicants, even though these benefits are not “new” to the project and were incorporated into the submittal provided by LinkedIn in late February. An explanation of these values is attached to this letter.¹

In summary, the public benefits offered by Shoreline Commons will include:

¹ These benefits do not include LinkedIn’s charitable donations and extensive philanthropic work within the community, which are independent from the Shoreline Commons proposal.

² Shoreline Commons is envisioned as a high-density development that provides as much publicly accessible open and green space as possible. LinkedIn has therefore elected to invest in undergrounding most of the project’s parking, which in turn increases the cost of each square foot of open space provided by the project. The estimated values provided reflect the incremental cost of each square foot of open space that would be

- Off-site public benefits including the pedestrian/bicycle bridge and other transportation improvements, library funding, and Shoreline bypass study (estimated value: \$46.6 million);
- Enhanced sustainability features beyond LEED Platinum including a geothermal heat exchange system, extensive PV arrays and a pathway to net zero energy usage in order to provide higher performance buildings (estimated value: \$65 million);
- Approximately seven acres of public open space above and beyond the 20% of public open space required by the North Bayshore Precise Plan, which includes amenities such as play structures, walking paths, and plaza areas (estimated value: \$72.3 million);²
- Extraordinary environmental clean-up including safe disposal of contaminated soils to allow the creation of additional public open space and cessation of continued contamination between this site and the bay (estimated value: \$43.5 million);
- Buildout of LinkedIn's Opportunity Center (estimated value: \$1.6M).

The total estimated cost of these public benefits is approximately \$229 million. Looked at in this way, Shoreline Commons will provide approximately \$342 in public benefits per square foot of Bonus FAR square footage being requested.

In addition to these capital improvements, Shoreline Commons will also provide a number of other public benefits that do not involve capital improvements, including:

- Event parking for the public on weekends (\$2.6 million per year);
- Subsidies of up to \$3 million per year to support local small retail businesses, including a bike shop;
- LinkedIn's Opportunity Center (\$400,000 per year in operating costs).

Of course, Shoreline Commons will provide a number of other benefits for the Mountain View community which are not easily quantified, such as preserving economic diversity, creating an innovative and marquis technology campus that is open and integrated with the community –

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all while overcoming the difficulties in assembling a master planned site from five different property owners in order to bring the City's vision for this key Gateway area to fruition.

That said, the most important public benefit from LinkedIn's perspective is creating an iconic, sustainable destination for Mountain View's residents and visitors to gather and enjoy themselves for years to come. This is a once-in-a-lifetime opportunity for LinkedIn to make Mountain View its permanent home, creating a true "sense of place" that will work for the community, our company, and our partners at SyWest. That is why we have master planned a mixed-use development that is less dense than it could have been, with an emphasis on providing a retail commons, abundant open space and connectivity improvements designed to provide new linkages to the North Bayshore area.

We hope that this information is helpful in evaluating the various submittals and we look forward to presenting the project to the City Council.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Morgensen", with a long, sweeping flourish extending to the right.

James L. Morgensen

Vice President, Global Workplace Services

Off-Site Public Benefits (as outlined in 2/27/15 submittal) Value \$M

Transit Improvements (from NBPP/DPW estimates)

T-11 (Frontage Road – Landings to Plymouth)	\$4.4
T-1 (Shoreline Improvements 101 – Plymouth)	9.4
T-17, T-18 (Shoreline Cycle and Bus lanes)	12.0
T-8 (Pedestrian/Bike Bridge over 101)	19.0
T-10, T-16 (Funded Study of new N/S route parallel to Shoreline)	0.4

Other Public Benefits (from CMV/CIP Unfunded Projects list)

US-27 Mountain View Public Library (Remodel/Construction)	<u>1.4</u>
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Subtotal Off-Site Public Benefits \$46.6

On-Site Public Benefits (incorporated into project)

Enhanced Sustainable Design (beyond LEED Platinum)

Features to include geothermal based energy system, and extensive use of high efficiency photovoltaic arrays allowing for on-site power generation (5% of construction hard cost)	\$65.0
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Publically Accessible Open Space (beyond 20% NBPP requirement)

Shoreline Commons provides publically accessible open space totaling 49% of total site area – exceeding the NBPP minimum requirement by 300,000 square feet (7 acres). Due to the project densities, this is only achievable by locating parking below grade and landscaping on structure – all at a high cost:

Subsurface parking structure (300,000sf x \$190/sf)	\$57.0
Landscaping on surface (300,000sf x \$51/sf)	15.3
Hazmat off-haul (removal of 420,000 cubic tons to Class II facility)	43.5

LinkedIn Opportunity Center (see next page)

Build-out cost of “LinkedIn Connection Center”	1.6
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Subtotal On-Site Public Benefits \$182.4

TOTAL PUBLIC BENEFITS	\$229M
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- *Total Public Benefits per Incremental Square Foot* \$135/sf
Based on 1.7M sf requested of total new office and mixed use

- *Total Public Benefits per FAR Bonus Square Foot* \$342/sf
Based on 670,000 total bonus square feet requested

Additional Public Benefits (offered in addition to those noted above)

Event Parking on Weekends

LinkedIn will make 3,500 parking spaces within its parking structures available to the public for parking during weekend Shoreline Amphitheatre and other events on a regular basis, lessening the City's obligation to provide and maintain future parking facilities for this purpose which is valued at approximately **\$2.6 million per year**. In addition, realizing this opportunity could help to release the land value of the City's existing Amphitheatre surface parking lot located at Shoreline and Crittenden Lane.

Local Retail Opportunities

Shoreline Commons will offer a total of approximately 250,000 sf of retail and entertainment uses. Of this, 50,000 sf will be identified for local small businesses. Unlike a typical retail developer where profitability is the main concern, LinkedIn and SyWest desire to create a vibrant retail mix that will support Shoreline Commons and the broader community as a whole. To accomplish this, rent subsidies of up to **\$3 million per year** will be considered that encourage and promote local retail establishments to make Shoreline Commons a successful destination for Mountain View residents and visitors.

LinkedIn Opportunity Center

Separate from the other retail uses located at Shoreline Commons, LinkedIn also proposes to include a "LinkedIn Opportunity Center" within the development. The purpose of this Center will be to serve the local community by providing residents of Mountain View the opportunity to hone their job seeking skills and gain access to educational and skill acquisition tools to improve access to economic opportunity. The Center will be a place where nonprofit organizations can host classes or workshops, and will provide a place for students and residents to access technology and learn skills that at promote educational, employment and business opportunities. The estimated operating costs for LinkedIn's Opportunity Center is valued at **\$400,000 per year**.