



**CITY COUNCIL  
COMMUNITY DEVELOPMENT AGENCY  
MINUTES**

**Tuesday, November 18, 2008 at 6:00 p.m.  
701 Laurel Street, Menlo Park, CA 94025  
Menlo Park City Council Chambers**

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**ROLL CALL** – Cohen, Robinson, Boyle, Cline, Fergusson

Closed Session pursuant to Government Code Section §54957.6 to conference with labor negotiators regarding labor negotiations with Teamsters 856 (PMA) representing Police Sergeants.

**Action:** There was no reportable action.

**PLEDGE OF ALLEGIANCE**

**ANNOUNCEMENTS:**

- Mayor Cohen and City Manager announced that over the weekend the city lost a long time member of the City of Menlo Park employee family, with the passing of Beverly Beasley, who was the Administrative Assistant to the Community Development Department. B. Beasley worked for the city for 34 years and she will be missed.
- There is a Community Survey available on-line and citizens were encouraged to participate.

**A. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS**

**Bicycle Commission quarterly report -**

Mr. Robert Steele, member of the Bicycle Commission presented the quarterly report for the Commission. K. Fergusson stated that H. Robinson attended a meeting with her at the County regarding safe routes and it is a five agency workgroup.

**B. PRESENTATIONS AND PROCLAMATIONS – None**

**C. PUBLIC COMMENT #1 - None**

**D. CONSENT CALENDAR**

**Approval of City Council minutes for the meetings of: a) August 26, 2008, b) September 4, 2008, c) September 9, 2008, d) October 7, 2008, e) October 14, 2008, f) October 21, 2008, and g) October 28, 2008 ([attachment](#))**

J. Boyle requested that item D (October 7, 2008 minutes) be tabled until next week in order to review some errors with the City Clerk. There was no objection.

There was consensus to bring back to a future meeting the format of the minutes for discussion.

**Action:** Moved, seconded, (Robinson/Cline) and carried unanimously to adopt the consent calendar with the exception of the October 7, 2008 minutes, which will be brought back to the next meeting.

**E. PUBLIC HEARINGS**

**Adoption of a Resolution accepting the Fiscal Year 2008-09 State Supplemental Local Law Enforcement Grant (COPS Frontline) in the amount of \$100,000, approval of a request to use the funds in conjunction with \$15,984 in funds from the Fiscal Year 2007-08 COPS Frontline Grant in accordance with state requirements ([Staff Report# 08-170](#))**

S. Tsai advised that this is a non-competitive grant in which cities receive a minimum amount of \$100,000 to use to supplement public safety expenditures. Each year the Chief of Police submits a request to Council to

approve the use of the grants funds. There is a recent legislative update that the Governor is considering a proposal that may compromise the current year funding to some degree. The plan is to move forward with the request and to respond appropriately when a decision is made. The specific requests for this year are detailed below:

- Funding of the first of the two-year update plan of the new mobile data terminals in the patrol cars (\$55K)
- Enhancement of the mobile mapping computing system (\$24K)
- Online reporting system (\$19.250K)
- Other information technology needs such as a scanner (\$8K), an intranet web server (\$2.5K) and communications service (\$10K)

The public hearing was opened and there were no comments. Moved, seconded (Boyle/Robinson) and carried unanimously to close the public hearing.

**Action:** Moved, seconded (Boyle/Robinson) and carried unanimously to adopt Resolution No. 5834 accepting the Fiscal Year 2008-09 State Supplemental Local Law Enforcement Grant (COPS Frontline) in the amount of \$100,000, approval of a request to use the funds in conjunction with \$15,984 in funds from the Fiscal Year 2007-08 COPS Frontline Grant in accordance with state requirements.

#### F. **REGULAR BUSINESS**

##### **Council review and direction regarding the Business Development Division Business Development Plan** *(Staff Report# 08-172)*

David Johnson, Business Development Manager and Alex Andrade, Business Development Specialist provided information on the Draft Business Development Plan. They discussed the desired outcomes including the previous and current commitment to economic development, sharing existing goals and objectives applied to each of the City's economic activity centers, documenting major strategies underway, providing a list of tools or measuring the economic vitality of the local economy and providing a focal point for a broad discussion of current efforts and policy. The plan components were outlined and the business development mission statement that has been developed.

The division goals are as follows:

- Build strategic relationships
- Monitor economic conditions and respond to opportunities and threats
- Enhance key public and private assets
- Ensure the local business environment is dynamic, diverse and competitive

The division guiding values and principles are:

- Keeping businesses we have – Retention
- Acquiring businesses we want – Attraction
- Helping businesses grow – Expansion
- Improving the business environment - Infrastructure

The economic activities centers:

- Willow Road East
- Industrial/Research & Development
  - Menlo Business Park
  - Willow Park (AMB)
  - O'Brien Drive
  - Bayfront/Willow
  - Sun Microsystems
  - Bohannon East
  - Bohannon West
  - Haven Avenue
- Willow Road West

- El Camino Real
- Menalto Avenue
- Willow and Middlefield
- Downtown
- Sand Hill Road

The City Council role in economic development:

- Participate in business outreach program by teaming up with staff on retention visitations
- Partner with staff at the strategic point in business attraction where the highest value can be realized
- Accessible to staff for regular reporting on matters of economic development
- Provide policy support for capitalizing on strengths and opportunities and solutions to weaknesses and threats

R. Cline stated this is valuable information and provides a snapshot on what is happening. Over a period of time using the same index – how is Menlo Park doing economically? The goals are clear but could use some narrowing as they are currently broad. Regarding the four objectives, he would like more details and then develop specific goals for each area. In order to establish policies, it is helpful to be broken into eight zones. This will give the community an opportunity for input. There is a different type of business that will be attracted to each of the areas. The Council's role will flux, based on timing and opportunity. There are more details that need to be done, but it can be shifted as needed.

J. Boyle asked if downtown does will show the northern end of El Camino. This is something that will need to be looked at.

H. Robinson stated it is helpful to have this organized into eight zones and he looks forward to receiving more specific information on each zone. The importance of this is at the top of the list of what the city is doing. How many businesses are in Menlo Park and of those, how many are revenue producing? There are currently approximately 4,000 businesses in Menlo Park and most are revenue producing. The city is attracting some start-up and innovation / high-tech based companies, and as they grow they find other places to move. A focus needs to be put on what needs to be done to keep them here. How much of the area is an incubator versus long-term businesses. D. Johnson stated that companies talk about the facilities and an attempt is made to accommodate them is done. There is space planning that needs to takes place, but if the company grows and the space cannot accommodate them, the company will move. A. Andrade stated there are a total of four incubator businesses; two bioscience businesses, one ophthalmology business and one medical device business. Over the last seven years there have been fourteen firms that have graduated out of the incubators and about half of those stayed in Menlo Park.

H. Robinson asked if there is a common theme of bioscience companies that are coming to the area. Has the city been active in bringing them here? D. Johnson stated that the dynamics from the venture capital firms on Sand Hill Road and Stanford University and the spinout companies are part of the reason some of these firms come to the area. In the Menlo Lab property, you can get a wet lab in the facility that is \$3 per foot; which is competitive in terms of the market. There is actually a waiting list for some of these spaces. Some business property owners understand the market and the need and they are developing their facilities to accommodate this need. H. Robinson asked if there are things that the city should be doing as incentives and make it more likely to attract and keep the companies here.

A. Cohen stated he would like a breakdown brought back at a future time as to the type of industries in the community. With the current economic condition, property and sales tax are sources of income. Those two may be critical areas that are quite different. The relationship between the tax and the turnover of the property is important. D. Johnson stated that with regard to the commercial evaluation, there are business owners that fall under Prop 13. Regarding the goals of the division – what is enhanced key public and private assets? There are several property owners that are constantly making improvements to their property and it is important to track what is available for each type of zoning. A. Cohen asked for an example for diversity of businesses. It was explained that diversity in business happens when there is a diverse source and mix of who is located here. It also means that rents have to be competitive and overall, if the outreach is being done and

businesses are being attracted here and retention of current businesses is happening, that would be a diverse and dynamic business environment. There are opportunities to bring in new businesses that could benefit from improvements of sidewalks, streets among other items.

H. Robinson asked about the infrastructure making a difference. What does the city have and what is it lacking? D. Johnson stated that the hardscape of the infrastructure needs improvements. H. Robinson asked about the utilities. There are areas, such as Haven Avenue that are lacking in utilities; this will require inter-departmental work to make these changes. There are some major electrical utility users and this has been a concern.

E. Hauk stated that this plan is something that can be used for planning and accountability. She believes that green technology needs to be moved forward and would like to see policy on this issue. She would like to see things that are revenue neutral.

C. Frame has heard different opinions on the business environment in the community. Is it friendly to do business with Menlo Park? Menlo Park needs to be reminded that they are competing with Redwood City, Sunnyvale and other neighboring communities. It would be helpful to have some benchmarks and how do they compete with other communities.

J. Boyle stated this is a great start and one core element does not jump out enough; how are we comparatively doing with other communities. He would like measures put in place and then strive to improve. Two key assets that Menlo Park has are the proximity of the venture capital community and Stanford, which contribute to people wanting to locate in Menlo Park. He would like to see what can be done to leverage and build on that. He suggested a simplistic type dashboard that can be accessed by the community regarding measures. He encouraged reporting just prior to the mid-year report and six months later. In the plan summary he would like there to be some consideration with the Dumbarton project and how business development will work with community development on this issue. At any given period of time, he would like to be able to how many businesses came to town and how many left town. Staff explained that there are rules and people are made to follow the rules but that is what makes Menlo Park a great community. Although sometimes it seems harsh, it is fair. The Planning Commission meeting meets twice a month and there are a lot of people doing residential modifications. The businesses need to get on the calendar. J. Boyle would like the City Council made aware of any lack of resources which would make the city more competitive or any regulations that make the city less competitive.

K. Fergusson stated there are many things that must be looked at. In the Silicon Valley, Menlo Park has driven and benefited from every wave of innovation. In the area of clean energy, what is being done in Menlo Park ties into the national agenda? How does this clean energy wave get tied into the concept of well paying, green collar jobs and construction? There is a great education/vocation training center and how do these job training opportunities shape the concept of the local economy? It is important to know how the local businesses are servicing the community. We are often driven by the financial bottom line, but there is a place for supporting a business that is culturally oriented or serves the community. The public can provide comments to the Council and this document can tap into the knowledge that is in the community. This document is important as it helps to focus or initiate alignment with what the business development division is doing and is it in sync with what the City Council is thinking. She is concerned with piece-mill development. She encouraged ideas be floated with the Council early. She does not see the GM site as retail and is cautious about changing the land use in that location. She does see benefit in developing more lab space as there is a demand for wet labs along the Peninsula. Someday there should be a way to bring treated/recycled water to meet future needs. There was a business roundtable in the past that she participated in and it focused on the SWOT approach.

R. Cline asked if there is a percentage of time spent on retention versus attraction. It was explained that with the current economy, there has been a larger amount of time spent on retention. The challenge in Menlo Park is the free market and the cost of doing business here. The price of doing business in Sunnyvale is one-fourth of doing business in Menlo Park. The challenge will be working with the owners to be competitive. How to address this will be a big challenge. R. Cline asked how staff sees the relationship with the property owners and staff. Staff is acquainted with most and some are in touch with the cost of doing business here; however

there have been buildings in town where an owner will forego a tenant to get a certain price per square foot. Prior to the last six to eight weeks, many had the outlook that they would get the higher rent. R. Cline asked if the city is moving in the right direction. D. Johnson stated that it is consensus building and there are other factors that come into play that moves toward a solution.

H. Robinson stated that he has been involved when a business owner has had a problem, but what impressed him was that city staff worked hard to address the company's needs. The rules were followed but in the end people were happy. He has been thinking about some goals for the upcoming year and he has been focused on long-term economic development in the industrial areas. The notion of having a round table could be beneficial for that area. The biggest strength is the location, people are driving innovation are in this area and that needs to be leveraged as much as possible. A business round table would give some focus to the area and what it could become without involving another planning project to overburden staff.

A. Cohen stated in a capitalistic system there is supply and demand and the reason some people are not here is that it is just too expensive. There is a criticism and everybody cannot always be happy, but he can say that his experience with all city staff is that they work hard to meet the needs of the residents. He encouraged the development staff to tap into the City Council and their knowledge, and he would like to see community engagement, direct connect and the website utilized. He believes that the Chamber of Commerce, Planning Department, Business Development Division and landlords must communicate with each other and use the tools available.

K. Fergusson pointed out the huge transmission line that cuts across the bay front property and it would be a huge project to take that underground. She sees special needs in the Haven area for housing and the bay trail navigates out to the bay and the connectivity. There is a potential for restaurants in this area. Willow Road West has dilapidated areas but oozes with potential. Staff explained that the creation of a commercial façade improvement program could be utilized in the Willow Road West area. K. Fergusson pointed out that the downtown can be considered "boutique" and Keplers is a part of Menlo Park's identity. The life science industry in addition to being compatible with the life style and there seems to be a trend towards personalized medicine which is a tax generating business. She feels that there are different economic activity centers throughout the city.

**G. CITY MANAGER REPORTS –**

**City Manager will give a brief overview of steps being taken to review the 2008-09 budget in relation to the current economy**

**(Item I –Information item) City's Investment Quarterly financial review of general fund operations as of September 30, 2008 ([Staff Report# 08-173](#))** - (Since these two items are so related they were taken together.)

G. Rojas provided a brief overview of what the city is doing in budget preparations with the current economy. There impacts to Menlo Park are being watched. Every time the economy slows down, the state looks at ways to take money away from the cities. Staff is paying close attention to this and talking internally and looking at potential scenarios. Menlo Park is way ahead of other cities due to the actions a few years ago with the Your City – Your Decision process. There have been adequate reserves established which allows the city be proactive instead of reactive. He suggested that the city look towards the mid-year review. In preparing for the 2009-10 budget there are big challenges to consider and mid-year will be an opportunity for this; however at the upcoming goal setting workshop, a discussion could take place regarding where the city is headed.

H. Robinson asked for some clarification on some of the actual year to date revenues with major decreases; sales tax, licenses and permits, and utility users' tax (UUT). C. Augustine responded that when compared to last year, staff has made a concerted effort to make sure that items in the General Fund have to do with General Fund operations and not a lot of one time expenditures so that they do not throw off the trends. Due to the investment market in the current economy, rental income and interest income has been separated out. The comparisons in the staff report are comparable. Total revenues are down approximately \$600,000 over the same quarter last year; \$360,000 is due to a sales tax adjustment made last year and a \$237,000 UUT difference due to the rate being at 3½% rate during the first quarter of last year. There is a reduction in license and permits are partially due to the way the fees are now being collect.

K. Fergusson stated that this reflects a quarter of the year; should the reports be seeing 25% of the revenues and expenditures? What is the schedule for receiving property tax? C. Augustine stated that a large part of the expenditures are payroll and the payrolls being submitted in the report are comparable. The first quarter of the Transient Occupancy Tax is not due to the city until October 31, 2008. Looking forward at the numbers they are coming in flat. Property tax for the first quarter should be received in the beginning of December and it will be analyzed as soon as the data is received from the County.

J. Boyle commented that on the total revenue line last year at this time had a \$3 million variance; which counted for many items coming in higher than anticipated. J. Boyle asked if the city would see a large revenue variance like last year. C. Augustine stated she does not foresee that happening.

H. **WRITTEN COMMUNICATION** – None

I. **INFORMATION ITEM**

**City's Investment Quarterly financial review of general fund operations as of September 30, 2008** ([Staff Report# 08-173](#))

This item was taken with item G.

J. **COUNCILMEMBER REPORTS**

J. Boyle:

- Subcommittee on community grants have made proposals and it is progressing
- He attended a shelter network breakfast (AB1234 Reporting)
- He had the opportunity to tour the Rosewood Hotel
- There is progress being made with the Downtown visioning project; the subcommittee has narrowed it down to one consultant and staff is negotiating with that consultant
- He attended the Transportation Commission this past week and they discussed the Willows Traffic Study (They made substantive changes)
- He attended meeting on Habitat for Humanity last week and there is a lot of discussion (many concerns) about this going forward
- He attended Chamber of Commerce Transportation subcommittee meeting (SM County transportation plan to go for approval on December 4)
- He requested the High Speed Rail to come back to the Council to help the project happen in the most productive way

H. Robinson

- He attended the Rosewood Hotel tour
- There was an election since the last meeting; he congratulated the two incumbents for being re-elected, thanked Ciardella for his running for City Council and his message was heard
- The City Council reorganization will take place on December 2
- Breakfast with Santa is scheduled for December 6 from 8-12 at the Recreation Center
- The Green Ribbon Citizens Committee having a meeting on December 13
- He is speaking at the Sustainable Menlo Park tomorrow at 5:00 p.m. at the Recreation Center
- He attended the Threshold 2008 last week and the focus was on higher density housing
- He had some tours in the M-2 area last week

K. Fergusson

- She attended the Rosewood Hotel tour
- She attended the working group with the five agencies focusing on Safe Routes to School
- She and A. Cohen met with staff on the Bohannon Project
- She attended the C/CAG meeting
- On December 2 the Council reorganization will be followed by a reception at the Gatehouse
- Goal Setting session coming up; she would like the date for 2009 goal put on the calendar that comes to the Council for approval

- She met with the Green Ribbon Citizens Committee last Friday
- There is a Council / Cities dinner in Portola Valley on Friday at their new Town Center

R. Cline

- He and A. Cohen attended the Santa Clara County Resource Board; Stanford introduced their new development plan (Transportation will have an impact on Menlo Park)

A. Cohen

- Regarding the Santa Clara County Resource Board; he did express concern with Stanford's development in Redwood City and the additional traffic that it has produces or potentially could
- He called a meeting yesterday regarding foreclosures and the impact in East Palo Alto (EPA) and the Belle Haven area; there will be a second meeting scheduled on Monday at EPA Can Do

K. **PUBLIC COMMENT #2**

Elizabeth Houck commented on Santa Clara County and the Stanford development, traffic congestion, the city's need to be conservative on implantation of user utility taxes, the need for more dog parks and she is a member of the Menlo Park Safeway Working Group.

L. **ADJOURNMENT** – Adjourned at 10:30 p.m. in Memory of Beverly Beasley.

Margaret S. Roberts, MMC  
City Clerk

Approved at the Council meeting of November 25, 2008