



**NOTE: CHANGE OF
LOCATION**

**CITY COUNCIL
SPECIAL MEETING AGENDA**

Tuesday, September 18, 2012
7:00 p.m.

Menlo Park Senior Center
110 Terminal Avenue, Menlo Park, CA 94025

7:00 P.M. REGULAR SESSION

ROLL CALL – Cline, Cohen, Fergusson, Keith, Ohtaki

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS

A. PRESENTATIONS AND PROCLAMATIONS - None

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Consider applicants for appointment to fill one vacancy on the Bicycle Commission, two vacancies on the Environmental Quality Commission and one vacancy on the Library Commission ([Staff report #12-135](#))

C. PUBLIC COMMENT #1 (Limited to 30 minutes)

Under “Public Comment #1”, the public may address the Council on any subject not listed on the agenda and items listed under the Consent Calendar. Each speaker may address the Council once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The Council cannot act on items not listed on the agenda and, therefore, the Council cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

D. CONSENT CALENDAR

D1. Authorize the Police Department to accept the State of California, Department of Transportation Selective Traffic Enforcement Program (STEP) grant PT1341 in the amount of \$30,000 and authorize the Police Department to execute all agreements to conduct specified traffic enforcement operations ([Staff report #12-136](#))

D2. Authorize the City Manager to execute three separate agreements with the City and County Association of Governments, the Peninsula Corridor Joint Powers Board and the San Mateo County Transit District for the operation and funding of the City’s shuttle program for Fiscal Year 2012-13 ([Staff report #12-138](#))

D3. Adopt a resolution authorizing the City Manager to execute a deed granting a sanitary sewer easement on 50 Terminal Avenue to West Bay Sanitary District ([Staff report #12-139](#))

E. PUBLIC HEARING - None

F. REGULAR BUSINESS

F1. Approve the development of a Request for Proposals for facilitation of a community process for the Belle Haven Neighborhood, allocate appropriate budget for the project, and authorize the City Manager to exceed the \$90,000 purchase limit if needed to contract for the process ([Staff report #12-137](#))

- F2.** Adopt a resolution approving the revised investment policy for the City and the Community Development Agency of Menlo Park to become effective immediately ([Staff report #12-140](#))
- F3.** Provide feedback on the Commonwealth Corporate Center Project located at 151 Commonwealth Drive and 164 Jefferson Drive and authorize the City Manager to approve an augment to a contract with Atkins North America, Inc. in the amount of \$194,457 (for a total contract of \$236,769) and future augments as may be necessary to complete the environmental review for the project ([Staff report #12-142](#))
- F4.** Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item – None
- G. CITY MANAGER’S REPORT – None**
- H. WRITTEN COMMUNICATION – None**
- I. INFORMATIONAL ITEMS**
- I1.** Belle Haven Afterschool Program Cost Recovery Update ([Staff report #12-141](#))
- J. COUNCILMEMBER REPORTS**
- K. PUBLIC COMMENT #2 (Limited to 30 minutes)**
Under “Public Comment #2”, the public if unable to address the Council on non-agenda items during Public Comment #1, may do so at this time. Each person is limited to three minutes. Please clearly state your name and address or jurisdiction in which you live.
- L. ADJOURNMENT**

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at <http://www.menlopark.org> and can receive e-mail notification of agenda and staff report postings by subscribing to the “Home Delivery” service on the City’s homepage. Agendas and staff reports may also be obtained by contacting the City Clerk at (650) 330-6620. Copies of the entire packet are available at the library for viewing and copying. (Posted: 09/13/2012)

At every Regular Meeting of the City Council, in addition to the Public Comment period where the public shall have the right to address the City Council on the Consent Calendar and any matters of public interest not listed on the agenda, members of the public have the right to directly address the City Council on any item listed on the agenda at a time designated by the Mayor, either before or during the Council’s consideration of the item.

At every Special Meeting of the City Council, members of the public have the right to directly address the City Council on any item listed on the agenda at a time designated by the Mayor, either before or during consideration of the item.

Any writing that is distributed to a majority of the City Council by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the Office of the City Clerk, Menlo Park City Hall, 701 Laurel Street, Menlo Park, CA 94025 during regular business hours. Members of the public may send communications to members of the City Council via the City Council’s e-mail address at city.council@menlopark.org. These communications are public records and can be viewed by anyone by clicking on the following link: <http://ccin.menlopark.org>

City Council meetings are televised live on Government Access Television Cable TV Channel 26. Meetings are re-broadcast on Channel 26 on Thursdays and Saturdays at 11:00 a.m. A DVD of each meeting is available for check out at the Menlo Park Library.

Live and archived video stream of Council meetings can be accessed at: http://menlopark.granicus.com/ViewPublisher.php?view_id=2 Persons with disabilities, who require auxiliary aids or services in attending or participating in City Council meetings, may call the City Clerk’s Office at (650) 330-6620.



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: September 18, 2012
Staff Report #: 12-135

Agenda Item #: B-1

COMMISSION APPOINTMENTS: Consider applicants for appointment to fill one vacancy on the Bicycle Commission, two vacancies on the Environmental Quality Commission and one vacancy on the Library Commission

RECOMMENDATION

Staff recommends voting for and appointing applicants to fill one vacancy on the Bicycle Commission, two vacancies on the Environmental Quality Commission and one vacancy on the Library Commission.

BACKGROUND

Staff has been recruiting for the vacant positions by publishing press releases in the *Daily News* and notices being posted on the City's website and City bulletin board.

There is one vacancy on the Bicycle Commission due to the resignation of Walter Kohn. The applicant appointed will serve through April 30, 2014.

Applicants for the vacancy:

- Drew Combs
- Michael Meyer
- Jamie Morgan

There are two vacancies on the Environmental Quality Commission due to the expiring terms of Kristen Kuntz-Duriseti and Marshall Scott. The applicants selected will serve through April 30, 2016.

Applicants for the vacancy:

- Allan Bedwell
- Elizabeth Houck
- Kristen Kuntz-Duriseti (requesting reappointment)

There is one vacancy on the Library Commission due to the expiring term of Lucia Soto. The applicant selected will serve through April 30, 2016.

Applicants for the vacancy:

- Phyllis Butler
- Deepa Panelli

ANALYSIS

Pursuant to City Council Policy CC-01-0004 (Attachment A), commission members must be residents of the City of Menlo Park and serve for designated terms of four years, or through the completion of an unexpired term.

In addition, the Council's policy states that the selection/appointment process shall be conducted before the public at a regularly scheduled meeting of the City Council. Nominations will be made and a vote will be called for each nomination. Applicants receiving the highest number of affirmative votes from a majority of the Council present shall be appointed.

IMPACT ON CITY RESOURCES

Staff support for selection of commissioners is included in the FY 2011-12 Budget.

POLICY ISSUES

Council Policy CC-01-0004 establishes the policies, procedures, roles and responsibilities for the City's appointed commissions and committees.

Currently the budget metrics set a goal of two applications for each appointment.

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

Signature on file
Margaret S. Roberts, MMC
City Clerk

PUBLIC NOTICE: Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS:

- A – Excerpt from Council Policy CC-01-0004, pages 4-5
- B – Commission Applications

Attachment B will not be available on-line, but is available for review at City Hall in the City Clerk's Office during standard City operating hours.

City of Menlo Park		City Council Policy
Department City Council	EXCERPT FROM PAGES 4 AND 5	Effective Date 3-13-01
Subject Commissions/Committees Policies and Procedures and Roles and Responsibilities	Approved by: Motion by the City Council on 03-13-2001; Amended 09-18-2001; Amended 04-05-2011	Procedure # CC-01-0004

G. MembershipsAppointments/Oaths

1. The City Council is the appointing body for all Commissions and Committees. All members serve at the pleasure of the City Council for designated terms.
2. All appointments and reappointments shall be made at a regularly scheduled City Council meeting, and require an affirmative vote of not less than a majority of the Council present.
3. Prior to taking office, all members must complete an Oath of Allegiance required by Article XX, §3, of the Constitution of the State of California. All oaths are administered by the City Clerk or his/her designee.
4. Appointments made during the middle of the term are for the unexpired portion of that term.

Application/Selection Process

1. The application process begins when a vacancy occurs due to term expiration, resignation, removal or death of a member.
2. The application period will normally run for a period of four weeks from the date the vacancy occurs. If there is more than one concurrent vacancy in a Commission, the application period may be extended. Applications are available from the City Clerk's office and on the City's website.
3. The City Clerk shall notify members whose terms are about to expire whether or not they would be eligible for reappointment. If reappointment is sought, an updated application will be required.
4. Applicants are required to complete and return the application form for each Commission/Committee they desire to serve on, along with any additional information they would like to transmit, by the established deadline. Applications sent by fax, email or submitted on-line are accepted; however, the form submitted must be signed.
5. After the deadline of receipt of applications, the City Clerk shall schedule the matter at the next available regular Council meeting. All applications received will be submitted and made a part of the Council agenda packet for their review and consideration. If there are no applications received by the deadline, the City Clerk will extend the application period for an indefinite period of time until sufficient applications are received.
6. Upon review of the applications received, the Council reserves the right to schedule or waive interviews, or to extend the application process in the event insufficient applications are received. In either case, the City Clerk will provide notification to the applicants of the decision of the Council.
7. If an interview is requested, the date and time will be designated by the City Council. Interviews are open to

City of Menlo Park		City Council Policy
Department City Council Subject Commissions/Committees Policies and Procedures and Roles and Responsibilities	EXCERPT FROM PAGES 4 AND 5	Effective Date 3-13-01
	Approved by: Motion by the City Council on 03-13-2001; Amended 09-18-2001; Amended 04-05-2011	Procedure # CC-01-0004

the public.

8. The selection/appointment process by the Council shall be conducted open to the public. Nominations will be made and a vote will be called for each nomination. Applicants receiving the highest number of affirmative votes from a majority of the Council present shall be appointed.

9. Following a Council appointment, the City Clerk shall notify successful and unsuccessful applicants accordingly, in writing. Appointees will receive copies of the City’s Non-Discrimination and Sexual Harassment policies, and disclosure statements for those members who are required to file under State law as designated in the City’s Conflict of Interest Code. Copies of the notification will also be distributed to support staff and the Commission/Committee Chair.

10. An orientation will be scheduled by support staff following an appointment (but before taking office) and a copy of this policy document will be provided at that time.

AGENDA ITEM B1 - ATTACHMENT B: COMMISSION APPLICATIONS

are pages 7A-1 through 7C-7 of the packet

THIS PAGE INTENTIONALLY LEFT BLANK



POLICE DEPARTMENT

Council Meeting Date: September 18, 2012
Staff Report #: 12-136

Agenda Item #:D-1

CONSENT CALENDAR: Authorize the Police Department to Accept the State of California, Department of Transportation Selective Traffic Enforcement Program (STEP) Grant PT1341, in the amount of \$30,000 and Authorize Police Department to Execute All Agreements to Conduct Specified Traffic Enforcement Operations

RECOMMENDATION

Staff recommends that the City Council authorize the Police Department to accept the State of California, Department of Transportation "Selective Traffic Enforcement Program" (STEP) Grant PT1341, in the amount of \$30,000 and authorize the Police Department to execute all agreements to conduct specified traffic enforcement operations.

BACKGROUND

On July 27, 2012, the Menlo Park Police Department received a tentative approval for a \$30,000 STEP grant from the California Office of Traffic Safety. This grant will provide funding for specified equipment and will also fund personnel costs for several traffic safety related operations.

ANALYSIS

In an ongoing effort to combat traffic collision rates in the City of Menlo Park, the Menlo Park Police Department has applied for and been awarded a \$30,000 Selective Traffic Enforcement Program (STEP) grant. This grant will be operational during the 12/13 Federal fiscal year (October 1, 2012-September 30, 2013). Although the original application for this grant totaled over \$67,000 in personnel costs and equipment, the award was at the lower amount of \$30,000 due to the large number of agencies applying for these funds.

The grant will provide funding for the Police Department to conduct several traffic safety operations targeting: DUI drivers, distracted drivers, speeding, intersection violations, along with bicycle and pedestrian safety violations. The grant will also fund the purchase of four new Preliminary Alcohol Screening (PAS) devices, along with three speed measuring devices.

IMPACT TO CITY RESOURCES

There will be no impact to City resources since the grant will totally fund the overtime required for the proposed operations and cover the equipment purchases

POLICY ISSUES

This grant funding supports the Police Departments efforts to reduce collisions within the City of Menlo Park and improve safety. The grant will enhance the Police Department's response to Budget Program 104 (Traffic and School Safety) and the budget goals set for F/Y 12/13.

ENVIRONMENTAL REVIEW

Not applicable.

Signature on File

Dave Bertini
Police Commander

Signature on File

Lee Violet
Interim Chief of Police

PUBLIC NOTICE: Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS:

- A. Tentative Approval Letter from California Office of Traffic Safety

STATE OF CALIFORNIA

EDMUND G. BROWN JR., GOVERNOR

OFFICE OF TRAFFIC SAFETY

2208 KAUSEN DRIVE, SUITE 300
ELK GROVE, CA 95758
www.ots.ca.gov
(916) 509-3030
(800) 735-2929 (TT/TDD-Referral)
(916) 509-3055 (FAX)



July 27, 2012

Grant No. PT1341

David Bertini, Commander
Menlo Park Police Department
701 Laurel Street
Menlo Park, CA 94025

Dear Commander Bertini:

Congratulations! Through a competitive process, the Office of Traffic Safety (OTS) has tentatively approved your funding request for the proposal titled "Selective Traffic Enforcement Program" in the amount of approximately \$30,000.00.

Your OTS Coordinator will contact you to discuss your proposal and explain the Grant Agreement process. It is our goal to have all new grants start no later than October 1, 2012. If approval from your City Council or Board of Supervisors is required, you should begin that process now. Do not incur grant reimbursable costs prior to the receipt of your official approval packet from OTS or before your grant start date.

OTS will initiate a statewide media news release regarding 2013 proposals selected for funding. Your agency *should not* publically announce this tentative award until the grant agreement is fully negotiated and signed by OTS.

Again, congratulations on the success of your proposal. If you have any questions, please contact Mark Talan, Regional Coordinator, at (916) 509-3029 or e-mail at mark.talan@ots.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Chris Murphy".

CHRISTOPHER J. MURPHY
Director

MT:kn

THIS PAGE INTENTIONALLY LEFT BLANK



PUBLIC WORKS DEPARTMENT

Council Meeting Date: September 18, 2012
Staff Report #: 12-138

Agenda Item #: D-2

CONSENT CALENDAR: Authorize the City Manager to Execute Three Separate Agreements with the City and County Association of Governments, the Peninsula Corridor Joint Powers Board, and the San Mateo County Transit District for the Operation and Funding of the City’s Shuttle Program for Fiscal Year 2012-13

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to execute three separate agreements with the City and County Association of Governments (C/CAG), the Peninsula Corridor Joint Powers Board (JPB), and the San Mateo County Transit District for the operation and funding of the City’s Shuttle Program for Fiscal Year 2012-13.

BACKGROUND

The City of Menlo Park manages an extensive shuttle program that provides alternative transportation service to many residents, employees, and visitors. The program is primarily funded by generous grants provided by C/CAG, the JPB, and the Metropolitan Transportation Commission (MTC), via the San Mateo County Transit District. These funds are typically made available following the successful completion of a competitive application process, an executed agreement between parties, and a demonstrated adherence to the agreement details.

ANALYSIS

A resolution accepting the “Lifeline Grant” provided by the MTC has already been approved by Council in May 22, 2012, but the authorization for the City Manager to execute the agreement was not included. Also, a new grant procedure implemented by C/CAG for Fiscal Year 2012-13 delayed the City’s receipt of proposed agreements from both C/CAG and the JPB.

The allocation of all awarded grant fund amounts as well as the budgeted City fund amounts for Fiscal Year 2012-13 are shown in the following table.

Funding Source	Total	Budget Allocation by Shuttle for FY 2012-13			
		Midday	Marsh	Willow	Shoppers’
C/CAG grant	327,900	119,500	106,500	81,500	20,400
MTC “Lifeline”	66,000	66,000	-	-	-
JPB grant	58,000	-	32,000	26,000	-
Shuttle Development Fee	37,000	7,000	15,000	15,000	-
Measure A	15,000	-	-	-	15,000
Total:	503,900	192,500	153,500	122,500	35,400

IMPACT ON CITY RESOURCES

The total cost of the Shuttle Program for fiscal year 2012-13 is expected to be \$503,900. The City's share of the total cost is about 10-percent or \$52,000. As shown in the preceding table, this amount will be funded in part by an annual shuttle development fee collected from large commercial developments and by a portion of the City's Measure A fund. The remaining 90-percent (\$451,900) will be funded by the awarded grants following execution of the funding agreements.

POLICY ISSUES

This project is in line with several policies in the 1994 General Plan Circulation and Transportation Element. These policies seek to promote the use of public transit and to promote the use of alternatives to the single-occupant automobile.

ENVIRONMENTAL REVIEW

This proposed action is categorically exempt under the current California Environmental Quality Act Guidelines as this is a service already operated by the City.

Signature of File
Deborah Helming
TSM Coordinator

Signature of File
Atul Patel
Senior Transportation Engineer

PUBLIC NOTICE: Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS:

None



PUBLIC WORKS DEPARTMENT

Council Meeting Date: September 18, 2012
Staff Report #: 12-139

Agenda Item #: D-3

CONSENT CALENDAR: Adopt a Resolution Authorizing the City Manager to Execute a Deed Granting a Sanitary Sewer Easement on 50 Terminal Avenue to West Bay Sanitary District

RECOMMENDATION

Staff recommends that the City Council adopt a resolution (Attachment A) authorizing the City Manager to execute a deed granting a sanitary sewer easement on 50 Terminal Avenue to West Bay Sanitary District.

BACKGROUND

The City of Menlo Park currently owns the property at 50 Terminal Avenue and is subdividing it so that a portion can be sold to Beechwood School pursuant to City Council direction. Utilities constructed on private property require easements for access and maintenance. During preparation of the Tentative Map for the subdivision, it was discovered that an existing "Centerline Sanitary Sewer Right-of-Way" on the property is much larger than it needs to be. In an attempt to remove any unnecessary easements before the property is sold, the City approached West Bay Sanitary District to request that they vacate the oversized sanitary sewer right-of-way in exchange for a smaller sanitary sewer easement that would only encompass the existing sanitary sewer line located on the property. The existing and proposed easements are shown in the Master Easement Exhibit, Attachment B. Attachment C shows the new sanitary sewer easement to be granted to West Bay Sanitary District.

ANALYSIS

At the August 22, 2012 meeting of the West Bay Sanitary District Board of Directors, a resolution was adopted authorizing the District Manager to quit claim the unused portion of the "Centerline Sanitary Sewer Right-of-Way". At a future board meeting, West Bay will need to quit claim the remainder to the "Centerline Sanitary Sewer Right-of-Way" and to accept the newly dedicated easement from the City of Menlo Park.

All improvements currently exist. The Sanitary Sewer Easement is required in order to encompass the portion of the existing sanitary sewer main line that will no longer be in an easement once West Bay vacates their unnecessary centerline sanitary sewer right-of-way.

This sanitary sewer easement must be recorded before the final map for the subdivision of 50 Terminal Avenue can be finalized and the sale to Beechwood School can be completed.

IMPACT ON CITY RESOURCES

The staff time associated with creating the easement will be recovered through funds generated by the sale of a portion of the property to Beechwood School.

POLICY ISSUES

The recommendation does not represent any change to existing City policy.

ENVIRONMENTAL REVIEW

The project is categorically exempt under Class I of the current State of California Environmental Quality Act Guidelines.

Signature of File
Nathan Scribner
Associate Engineer

Signature of File
Ruben Niño
Assistant Director of Public Works

PUBLIC NOTICE: Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS:

- A. Resolution
- B. Master Easement Exhibit
- C. Legal Description of Proposed Sanitary Sewer Easement to West Bay Sanitary District

RESOLUTION NO.

RESOLUTION OF THE CITY OF MENLO PARK AUTHORIZING THE CITY MANAGER TO EXECUTE A DEED GRANTING A SANITARY SEWER EASEMENT ON 50 TERMINAL AVENUE TO WEST BAY SANITARY DISTRICT

WHEREAS, the City of Menlo Park owns the property at 50 Terminal Avenue and is subdividing the lot in order for a portion to be sold to Beechwood School; and

WHEREAS, there is an existing "Centerline Sanitary Sewer Right-of-Way" on the property much larger than is needed; and

WHEREAS, the City approached West Bay Sanitation District to request that they vacate the oversized sanitary sewer right-of-way in exchange for a smaller sanitary sewer easement; and

WHEREAS, on August 22, 2012, West Bay Sanitary District Board of Directors adopted a resolution authorizing the District to quit claim on the unused portion of the centerline sanitary sewer right-of-way; and

WHEREAS, the sanitary sewer easement is required in order to encompass the portion of the existing sanitary sewer main line that will no longer be an easement once West Bay vacates their centerline sanitary sewer right-of-way; and

WHEREAS, the sanitary sewer easement must be recorded before the final map for the subdivision can be finalized and the sale to Beechwood School can be completed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby grant a sanitary sewer easement on 50 Terminal Avenue to West Bay Sanitary District and authorizes the City Manager to execute the deed granting the easement.

I, Margaret Roberts, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on the eighteenth day of September, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City, this eighteenth day of September, 2012.

Margaret S. Roberts, MMC
City Clerk


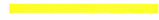


CHILCO STREET

RAILROAD RIGHT-OF-WAY

50 TERMINAL AVE
(BEECHWOOD SCHOOL SITE)

1467 CHILCO ST.
(M.P.F.P.D.)

LEGEND:

-  RECENTLY VACATED UNUSED CENTERLINE SANITARY SEWER RIGHT-OF-WAY
-  EXISTING CENTERLINE SANITARY SEWER RIGHT-OF-WAY TO BE VACATED BY WEST BAY SANITARY DISTRICT
-  PROPOSED SANITARY SEWER EASEMENT TO BE GRANTED TO WEST BAY SANITARY
-  EXISTING SANITARY SEWER EASEMENT TO REMAIN

255

259

263

267

271

275

279

283

287

TERMINAL AVENUE

CITY OF MENLO PARK ENGINEERING DIVISION



NO.	REVISIONS	DATE

CITY OF MENLO PARK
MASTER SANITARY SEWER EASEMENT EXHIBIT
50 TERMINAL AVENUE/BEECHWOOD SITE

DRAWN nvs	CHECKED	DATE 9/5/12	SCALE NTS	SHEET 1 1	FILE EX
--------------	---------	----------------	--------------	--------------	------------

August 29, 2012

EXHIBIT "A"

**LEGAL DESCRIPTION
of Proposed West Bay Sanitary District
Sewer Easement**

All that certain real property situate in the City of Menlo Park, County of San Mateo, State of California, being a portion of the Lands of the City of Menlo Park as described in Book 3441 of Official Records at Page 533, recorded August 18, 1958, in the Office of the Recorder of said County and State; said portion being more particularly described as follows:

Beginning at the northeasterly corner of Lot 20, Block 33, as shown on that certain Map entitled "Tract No. 1 Blocks 18 to 35 Belle Haven City", which map was filed for record in the Office of said Recorder on May 28, 1932, in Book 20 of Maps at Pages 5 through 7;

Thence along the northerly line of said Lot 20 South 84°59'29" West, 12.00 feet;

Thence leaving said line North 6°07'07" West, 22.04 feet to the southwesterly line of the existing 12-foot wide sanitary sewer easement granted to the Menlo Park Sanitary District by deed recorded September 15, 1949 in Book 1713 of Official Records at Page 584;

Thence along said southwesterly line South 24°30'42" East, 13.42 feet to the southeasterly line of said existing 12-foot easement, said line being the centerline of the Sewer Right-of-Way as described in the deed to the Menlo Park Sanitary District, recorded May 20, 1904 in Book 106 of Deeds at Page 535;

Thence along said southeasterly line North 21°45'26" East, 16.61 feet to the southeasterly terminus of the northeasterly line of said existing 12-foot wide easement;

Thence South 6°07'07" East, 24.21 feet to the Point of Beginning.

As shown on Exhibit "B", the plat attached hereto and made a part hereof.

Description prepared by MacLeod and Associates, Inc.



Daniel G. MacLeod L.S. 5304

Aug. 29, 2012

Date



EXHIBIT "B"

LANDS OF
CITY OF MENLO PARK
3441 O.R. 533

12' SANITARY SEWER
EASEMENT
1713 O.R. 584

N 21°45'26" E
16.61'
N 06°07'07" W
22.04'

S 24°30'42" E
13.42'

CENTERLINE OF SANITARY SEWER
RIGHT-OF-WAY, 106 DEEDS 535
S 06°07'07" E
24.21'

PROPOSED WEST BAY
SANITARY SEWER EASEMENT

S 84°59'29" W
12.00'

POINT OF
BEGINNING

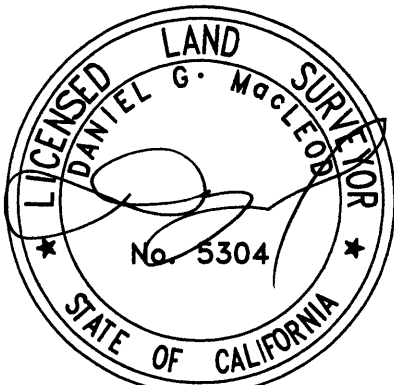
19

20

21

22

BLOCK 33
20 MAPS 5-7



PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR PROPOSED WEST BAY SANITARY SEWER EASEMENT

MENLO PARK

SAN MATEO COUNTY

CALIFORNIA

PREPARED FOR: CITY OF MENLO PARK

PLAT:
RJD

SCALE:
1" = 30'

DATE:
08-29-12

JOB #:
3030-08

MACLEOD AND ASSOCIATES

CIVIL ENGINEERING • LAND SURVEYING

965 CENTER STREET SAN CARLOS CA 94070 (650) 593-8580



COMMUNITY SERVICES DEPARTMENT

Council Meeting Date: September 18, 2012
Staff Report #: 12-137

Agenda Item: F-1

REGULAR ITEM: **Approve the Development of a Request for Proposals for Facilitation of a Community Process for the Belle Haven Neighborhood, Allocate Appropriate Budget for the Project, and Authorize the City Manager to Exceed the \$90,000 Purchase Limit if Needed to Contract for the Process**

RECOMMENDATION

Staff recommends that the City Council provide general direction on the development and facilitation of a community discussion for the Belle Haven Neighborhood and allocate \$90,000 in support of that process. Staff also recommends that Council authorize the City Manager to select a consultant based on responses to an RFP, and sign the contract, including one that may exceed the City Manager's purchase authority of \$50,000.

BACKGROUND

Menlo Park is made up of a number of diverse neighborhoods, each with its own attributes and unique character. The Belle Haven neighborhood is a primarily residential neighborhood of 1300 households and 6000 residents located in a triangular area to the north of Highway 101. The neighborhood roughly mirrors a census tract that bounded by the Peninsula Corridor Joint Powers Board railroad line to the north, Willow Road to the east, and Highway 101 to the south.

The Belle Haven neighborhood is much less affluent than the City of Menlo Park as a whole (see draft Community Snapshot, Attachment A) with stark inequalities seen in major social demographic indicators such as population, housing, education levels, and employment. Over the course of several decades, the City of Menlo Park has provided above typical levels of service to Belle Haven, thanks largely to the inclusion of the neighborhood in a redevelopment area (RDA) and community wide support for allocation of major city program and service resources (*Your City / Your Decision*). The neighborhood currently boasts a community center, a swimming pool, several parks, a childcare center, a library, a senior center, a police substation, a public health clinic, and a community school.

Recently, areas adjacent to the neighborhood have seen major changes in land use with Council and voter approval of the Menlo Gateway project, which will eventually

bring nearly 700,000 square feet of office, a 235-room hotel, fitness center, cafe/restaurant, and associated commercial facilities on two sites located near the US-101/Marsh Road interchange to the area. Additionally, Facebook has moved 3000 employees to the former Sun Microsystems Campus (East Campus), which includes 57 acres and is located at 1601 Willow Road. Facebook is also interested in developing a second site (West Campus) that is 22 acres and was formerly part of the Tyco Electronics campus. The west campus property currently has two buildings and could house an additional 2,000 employees. Both campuses could eventually house as many as 9,000 employees.

Unfortunately, the State's dissolution of redevelopment agencies has greatly impacted the City's ability to continue providing the previous level of service to the neighborhood – over \$3 million annually in services was funded through the City's RDA and allowed a higher annual allocation of funds per resident (\$1166 v. \$1000)¹. In order to preserve Police services in the area, the Housing Division was eliminated and cost cutting in several internal service areas has occurred. City budgets are projected to remain tight into the future, so the timing appears right to make sure City funds are invested on the services that have the highest priorities for the people receiving them.

For these reasons, City staff have recently completed a comprehensive community snapshot of neighborhood conditions (Attachment A) and have been conducting community conversations in Belle Haven to determine if there is interest in a community process to find out what is most important to the people who live and work there (the conversations are summarized in Attachment B). The process would also include a chance for people to talk about what they would like the neighborhood to be like in the next 10 years or so.

ANALYSIS

In 2008, the City of Menlo Park adopted a community engagement model to guide the ways in which the City involves residents in problem solving, decision making and using public input to make better decisions. Council reaffirmed the model in the spring of 2012. The ultimate goal of community engagement is to make decisions reflecting a lasting public or community judgment. The long term outcome of meaningful community engagement is an increase in trust in local government and the replacement of a sense of alienation with a sense of community. This does not mean community engagement always results in decisions that make everyone happy. It does mean that those who most oppose a decision will understand why it was made and will often go along, however reluctantly, because they had an opportunity to be heard.

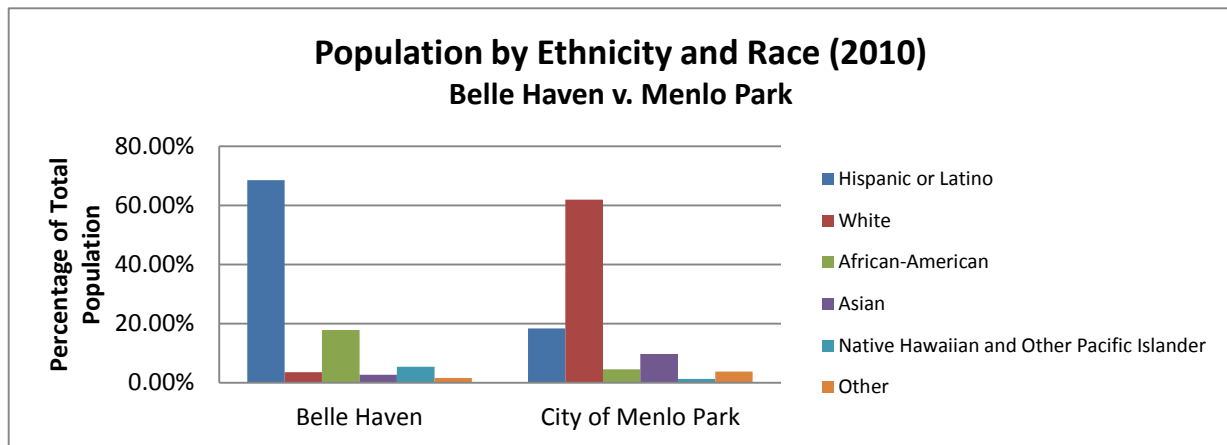
Community engagement is not a substitute for decision making by an organization or elected body, but should be an important influence upon it. Community engagement is also not public relations, although some of the tools are similar. Most of all, community engagement is not a cure for conflict or a magic bullet. Often, community engagement

¹ Based on total general fund and RDA budget allocations per person in 2010.

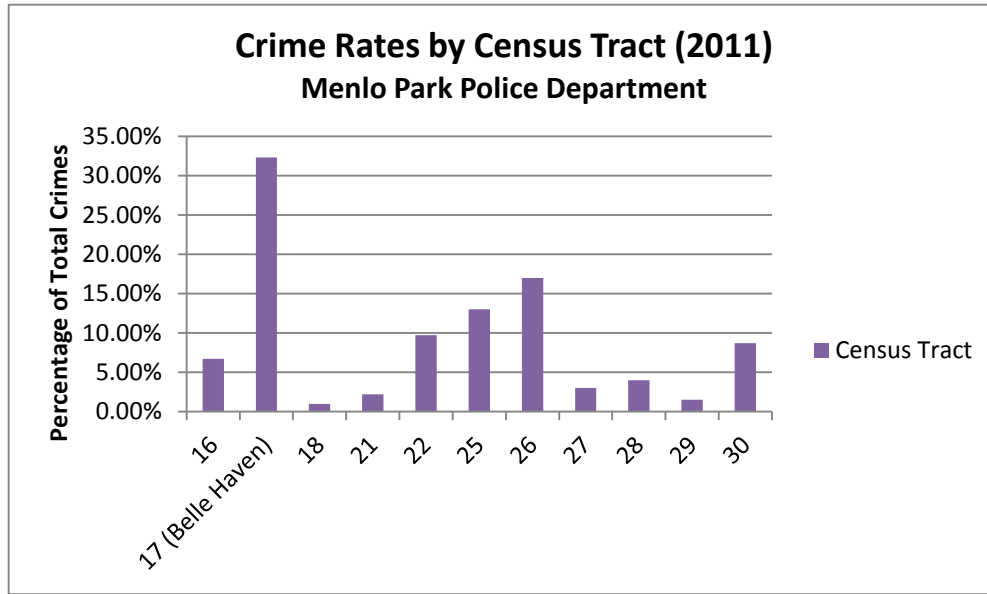
activities surface conflict and provide a productive way to manage and resolve conflicts and controversy.

As an initial step in the process and in alignment with the community engagement model, staff developed a draft community snapshot that could be used to ground the discussions in factual information about the needs and strengths of the neighborhood. Highlights of the Snapshot include the following:

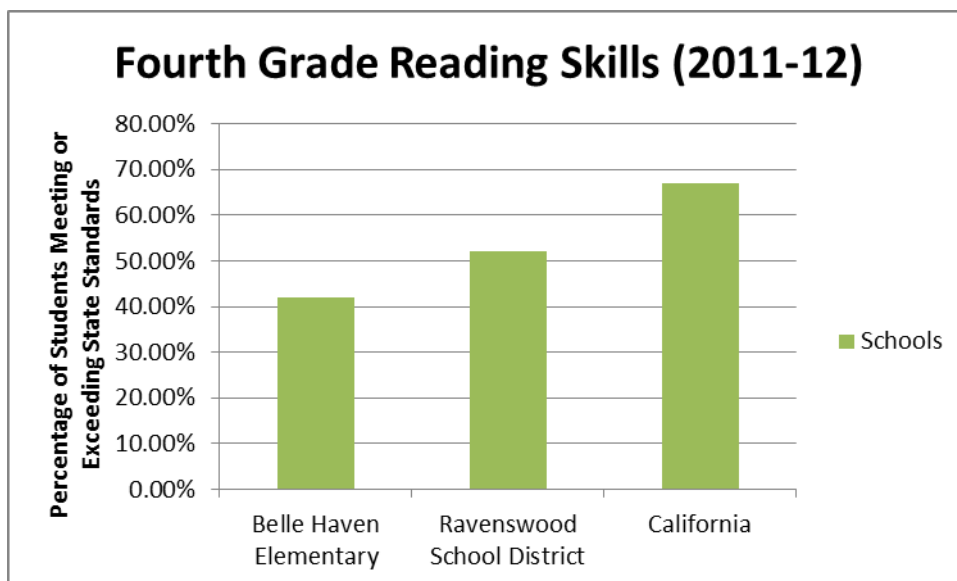
1. Population Description – According to the 2010 census estimate, the population of the Belle Haven neighborhood is about 5,970 people which is a decline of 2% since the 2000 census, where the rest of Menlo Park experienced a population increase of 4%. In terms of age, 40% of Belle Haven’s population fell between the ages of 20 and 44, compared to 34% for the rest of Menlo Park. Youth ages 5 to 19 accounted for 25% of Belle Haven’s population and only 18% of the overall Menlo Park population. The following chart gives a breakdown of population by ethnicity:



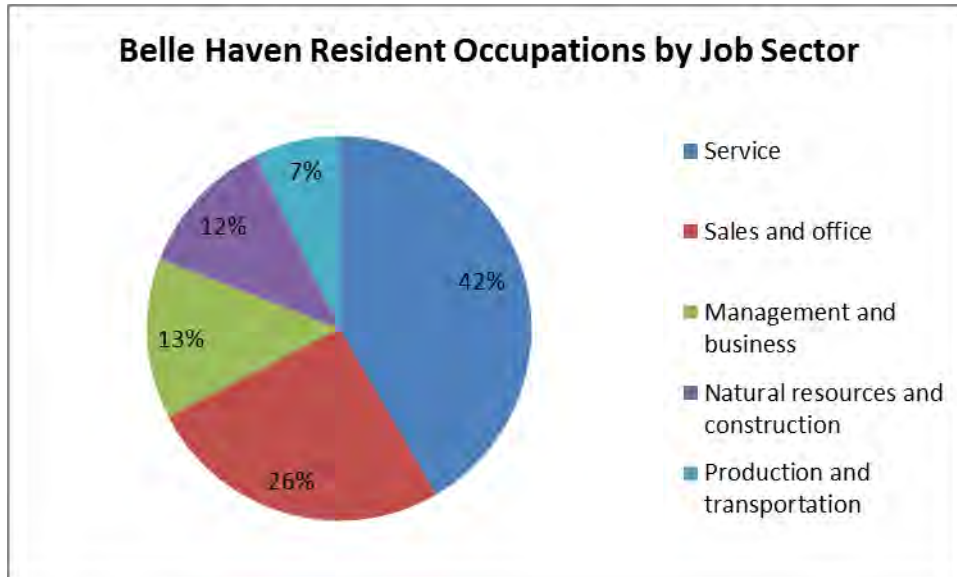
2. Crime – According to the Menlo Park Police, Belle Haven experienced a 9% decrease in crime from 2010 to 2011, compared to a 1% increase in crime in Menlo Park overall. However, Belle Haven’s average crime rate of 32.3% was the highest of all areas handled by the Menlo Park Police Department in 2011 as demonstrated by the following chart:



- Education and Literacy – According to estimates in the American Community Survey (2006-2010), 28.4% of the Belle Haven population over 25 holds a high school diploma only or equivalent compared with 8.8% of the overall Menlo Park population and 21.5% of California. About 13.3 percent of Belle Haven population over 25 holds a bachelor’s degree or higher, compared with 69.5% in Menlo Park overall and 30% in California. In terms of Fourth Grade reading skills, according to statistics from the 2011-12 school year, 42% of Belle Haven School students were meeting or exceeding state standards, which was lower than the Ravenswood School District as a whole and much lower when compared to students across the state.



4. Belle Haven Occupations by Job Sector:



Staff also conducted 25 informal community conversations with residents to determine if there was interest in a community-based process and if there was how people would want to be engaged. An initial list of residents regularly participating in services and programs in the neighborhood, serving on Commissions, or serving in other neighborhood leadership roles was created. These residents were also asked to suggest additional residents to be interviewed. A number of themes emerged during the community conversations including:

1. Bridge east and west Menlo Park - Residents of Belle Haven would like to see more effective communication and collaboration between east and west Menlo Park. In fact, referring to Menlo Park in this way is a concern for many of the residents. The Belle Haven neighborhood feels divided and believes more should be done to bring the whole Menlo Park community together. Residents have said that the City Council members need to reach out more to the neighborhood so they know what goes on and what challenges residents face. Residents do care even if they may not be as politically active, but need to feel welcome and more comfortable and knowledgeable about City processes.
2. Education – One of the consistent themes in interviews was a strong value for education. Families in Belle Haven value quality education experiences for their children and they would like to see Belle Haven incorporated into the Menlo Park School District. Interviewees pointed out that the quality of educational opportunities for Belle Haven is significantly less than that for the rest of Menlo Park.
3. Neighborhood Investment - The appearance of the Belle Haven neighborhood was a concern, with a number of public areas that are underdeveloped, abandoned and not as well kept as those on the west side of Menlo Park. It was

pointed out that similar conditions would not be tolerated on the west side. There is also the perception from neighborhood residents that when there are budget cuts they land most heavily on Belle Haven neighborhood programs and services. Insufficient education, services and community involvement for youth are a significant concern.

4. Gentrification - There is a fear of gentrification of the neighborhood as more residents are becoming pushed out due to higher home prices and the increasing cost of living.
5. Resiliency - The Belle Haven neighborhood is a resilient community with a strong sense of family and caring for young people even though it is more difficult to be a parent here. Many people work multiple jobs to make a living and have lived through difficult circumstances. Although there was a feeling that some residents may look to see how they may benefit from “the system,” in general many families are very willing to give back and participate in a more cooperative community.
6. Fragmented – Interviewees felt there are a number of residents and groups in the neighborhood with talents and resources, but many are working in silos and do not collaborate with one another very well. The community is culturally diverse and many individuals are not comfortable with expressing themselves or attending meetings.
7. Trust and Safety – Many interviewees indicated skepticism with a visioning process. They indicated it is important to be upfront and clear about what the City is doing and take time to educate and inform the neighborhood throughout the process. Residents are suspicious of representatives from outside the neighborhood and their intentions. As the neighborhood is diverse, it will be important to acknowledge and consider differences and make sure that participants have a comfortable and safe venue to participate. Most important is that people need to know how their participation and contributions have made a difference in the process.

Based on the community engagement model, the snapshot results and the community conversations, the suggested community vision process for Belle Haven would include a host of community outreach activities to inform residents about the process, and get residents comfortable and excited about participating. The initial, formal phase of the process would determine the neighborhood’s values and issues, define goals and identify existing assets. Subsequent steps should determine alternatives for achieving the goals, setting goal targets, and creating action plans. Public participation strategies would include personal interviews, focus groups and community roundtable discussions, workshops, community connector hosted meetings and action teams.

Residents reported that some of the best ways to engage the neighborhood are through door to door and phone canvassing, holding special events, inclusion of a food component, providing childcare for families, publishing a project newsletter to keep residents informed of the process, providing Spanish translators and complete translation of all marketing collateral materials.

It is anticipated that the next step in the process, should Council support moving forward, would include development of an RFP in order to identify a qualified consultant to develop and implement the process. If a qualified consultant could be identified prior to the holidays, the process could begin in early January and be completed in time for City budget deliberations in the spring of 2013.

BUDGET IMPACT

It is estimated that a comprehensive community engagement process would cost no more than \$90,000. Funding could come from the anticipated one-time revenues from the loss of the RDA or Facebook, or from reserves.

Depending upon the results of the process, the City's 2013-14 budget may include modifications that would support neighborhood priorities for City services. However, due to the elimination of the RDA and pending the results of the ballot proposal to increase Menlo Park's Transient Occupancy Tax in November, funding for existing services may be limited.

ENVIRONMENTAL REVIEW

The potential neighborhood visioning process is not a project under CEQA.

Signature on file
Cherise Brandell
Community Services Director

Signature on file
Derek Schweigart
Social Services Manager

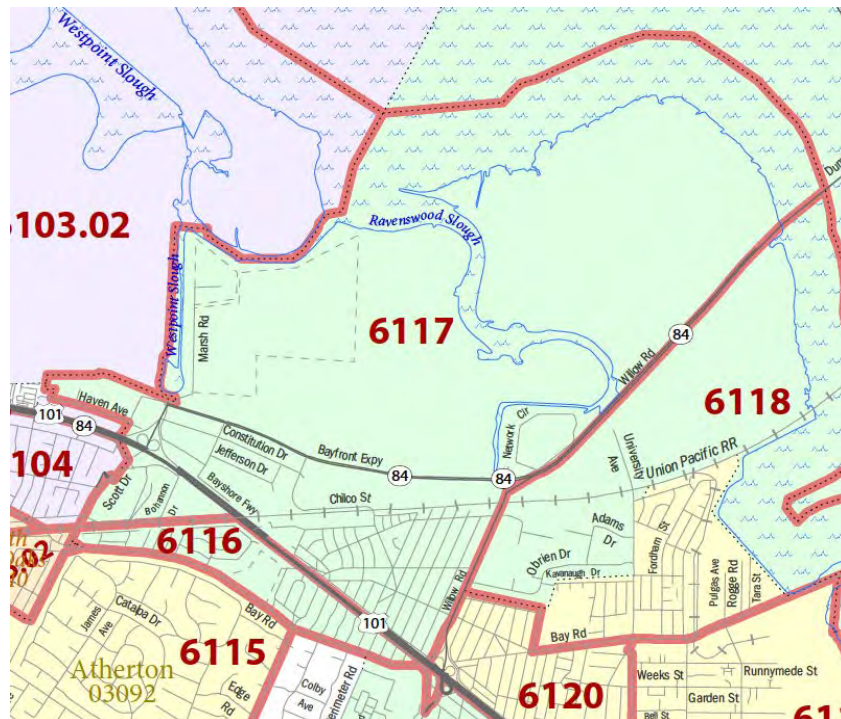
PUBLIC NOTICE: Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS

- A. Belle Haven Community Snapshot DRAFT
- B. Summary of initial community conversations re: potential vision process

A COMMUNITY SNAPSHOT

The community snapshot is a fact-based overview of the Belle Haven neighborhood and is intended to provide all Belle Haven residents with a shared understanding of Belle Haven’s current demographic, social, and economic situation. Unless indicated otherwise, the information in the community snapshot has been taken from the website of the U.S. Census Bureau. Other sources of information include the websites of the San Mateo County Elections Office and San Mateo County Health System, a survey mailed out to Belle Haven residents, and interviews with Belle Haven residents and employees. Below is a map showing the boundaries of the Belle Haven neighborhood as defined by the U.S. Census Bureau (Belle Haven is census tract 6117).



Population Characteristics

Population Totals and Growth

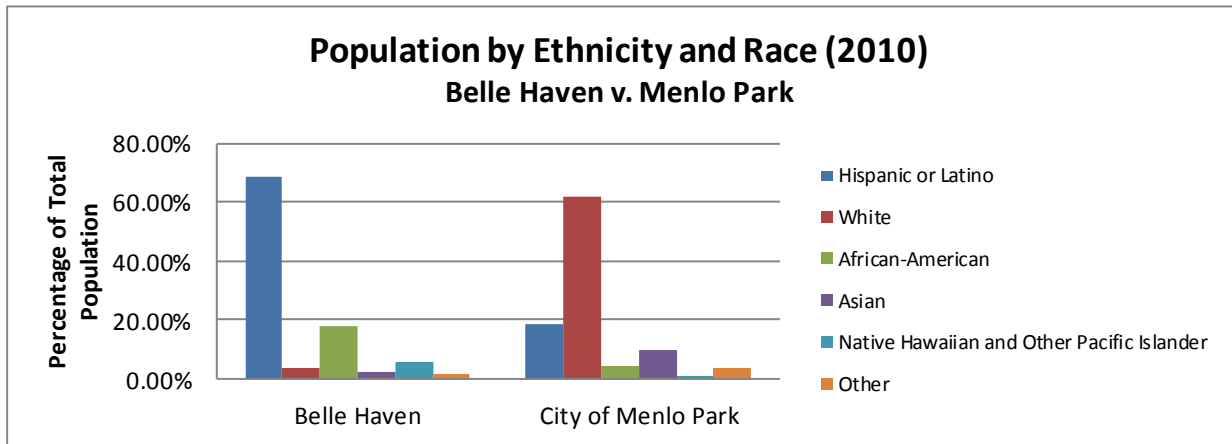
- According to the 2010 census estimate, the population of the Belle Haven neighborhood is about 5,970 people. This number does not include the rest of the city of Menlo Park.
- The Belle Haven neighborhood has experienced a population decrease of approximately 2 percent since the 2000 census. However, Menlo Park overall has experienced a population increase of approximately 4 percent since the 2000 census.

Population by Age

- The population spread in the Belle Haven neighborhood in the 2010 census showed the biggest group, almost 40 percent, falling between the ages of 20 and 44. This is slightly higher than the population spread in Menlo Park overall in 2010, which showed 34 percent falling between the ages of 20 and 44.
- Youth ages 5 to 19 accounted for about 25 percent of the Belle Haven population as recorded in the 2010 census, compared with 18 percent of the overall Menlo Park population.

Population by Ethnicity

- The population of the Belle Haven neighborhood according to the 2010 census shows a much higher percentage (68.6%) of Hispanic or Latino people than the city of Menlo Park overall (18.4%). Of the non-Hispanic or Latino population of Belle Haven, 17.9 percent identify as African-American, 5.5 percent as Native Hawaiian and Other Pacific Islander, 3.6 percent as white, 2.7 percent as Asian, 1.6 percent as two or more races, and 0.1 percent as other. By comparison, the non-Hispanic or Latino population of Menlo Park shows a breakdown of 62 percent white, 9.8 percent Asian, 4.6 percent African-American, 3.5 percent two or more races, 1.4 percent Native Hawaiian and Other Pacific Islander, 0.2 percent as other, and 0.1 percent American Indian and Alaska Native.
- Since the 2000 census, the Hispanic or Latino population of the Belle Haven neighborhood has experienced an increase of 8.7 percent, compared with 18.6 percent in Menlo Park overall.



Social Environment

Households by Family Structure

- As of the 2010 census, the Belle Haven neighborhood included a higher number of households headed by single parents (33%), particularly women (24.9%), than was found in Menlo Park overall (11.4% total; 8.4% women).

Marriage and Divorce Rates

- According to estimates in the American Community Survey (2006-2010),¹ marriage rates in the Belle Haven neighborhood are somewhat lower than in Menlo Park overall, with 40.7 percent of people over 15 married in Belle Haven, compared to 52.4 percent in Menlo Park overall.
- The divorce rate in the Belle Haven neighborhood is 9.9 percent, the same as in Menlo Park overall.

Child Care

- In 2010, there were approximately 548 children under the age of 5 in the Belle Haven neighborhood. This represents 9.2 percent of the Belle Haven population, compared with 7.7 percent in Menlo Park overall.
- The Belle Haven Child Development Center (BHCDC) anticipates serving 72 children for the 2012-2013 school year. There is currently a waiting list of over 100 children. During the 2011-2012 school year, the BHCDC served 78 children. With additional funding, the BHCDC would be able to serve 96 children at full capacity.²

Voter Registration and Turnout

- According to statistics compiled by the San Mateo County Elections Office, 23.92 percent of registered Belle Haven voters actually voted in the 2012 election. The Belle Haven voting precincts showed the lowest percentages of voter turnout (9.42% and 14.5%) in all of the Menlo Park voting precincts. The average voter turnout rate in Menlo Park overall for the 2012 election was 27.2 percent.

Recreation and Leisure Activities³

- The Onetta Harris Community Center, formerly the Belle Haven Community Center, was established in 1972 and continues to serve the Belle Haven neighborhood to the present day. During the period of July 2011 to June 2012, the Onetta Harris Community Center programs served 34,125 participants and operated at a cost of approximately \$10.09 per participant and generated \$40,177 in revenue.
- The Menlo Park Senior Center offers programs in health, education, and recreation for older adults in the Belle Haven neighborhood. During the period of July 2011 to June 2012, the Menlo Park Senior Center served 54,534 participants and operated at a cost of approximately \$6.15 per participant while generating \$83,942 in revenue. Second Harvest Food Bank sponsors a weekly brown bag program and the center provides balanced meals and low-cost transportation for participants.

¹ The American Community Survey (ACS) provides estimates for demographic, social, and economic characteristics dating to 2006-2009 (years in which a census was not taken). In this community snapshot, data from the ACS has only been used when more recent data was unavailable. For more about the American Community Survey, visit the website at <http://www.census.gov/acs/www/>.

² Information provided by the Belle Haven Child Development Center.

³ All information provided by the Menlo Park Community Services Department.

Neighborhood Life

- In a survey of 244 Belle Haven residents in August 2012, 63% of respondents indicated they talk to others in their neighborhood about community problems; 42% indicated they know their neighbors well enough to visit their homes; and 33% indicated agreement with the statement “Since I started living in Belle Haven general conditions in the neighborhood have gotten worse”, 48% disagreed with the statement and 20% did not know.
- In a survey of 244 Belle Haven residents in August 2012, 69% of respondents indicated they have lived in the neighborhood more than 5 years.

Volunteerism

- In a survey of 244 Belle Haven residents in August 2012, 33% of respondents indicated they volunteered with a local group in the past year. A 2010 survey of Menlo Park residents showed 41% had volunteered with a local group in the past year.

Community Health

Rate of Teen Births

- According to estimates in the American Community Survey (2006-2010), the Belle Haven neighborhood reported 0 births per 1,000 women aged 15 to 19. Menlo Park overall reported 57 births per 1,000 women aged 15 to 19 and California reported 25 births per 1,000 women aged 15 to 19. The largest number of women from the Belle Haven neighborhood who gave birth fell into the age range 20 to 34 (about 74 births per 1,000 women), the same age range as for Menlo Park overall and for California.

Health Care and Insurance

- According to a 2011 Community Assessment sponsored by the Healthy Community Collaborative of San Mateo County, 89.3 percent of San Mateo County residents had health care insurance coverage. Of these, 63.4 percent had employer-based insurance, 27.1 percent had government-based insurance, and 16.2 percent had purchased insurance on their own. The percentage of San Mateo County residents who do not have health care insurance has increased by almost 17 percent since 1998.⁴
- In a survey of 244 Belle Haven residents in August 2012, 81% of respondents indicated that their children had health insurance while 68% of them had health insurance for themselves.

⁴ For more information on healthcare and insurance at the county level, or to read the full text of the 2011 Community Assessment, visit the San Mateo County Health System website at <http://smchealth.org/>.

Community Safety

Police

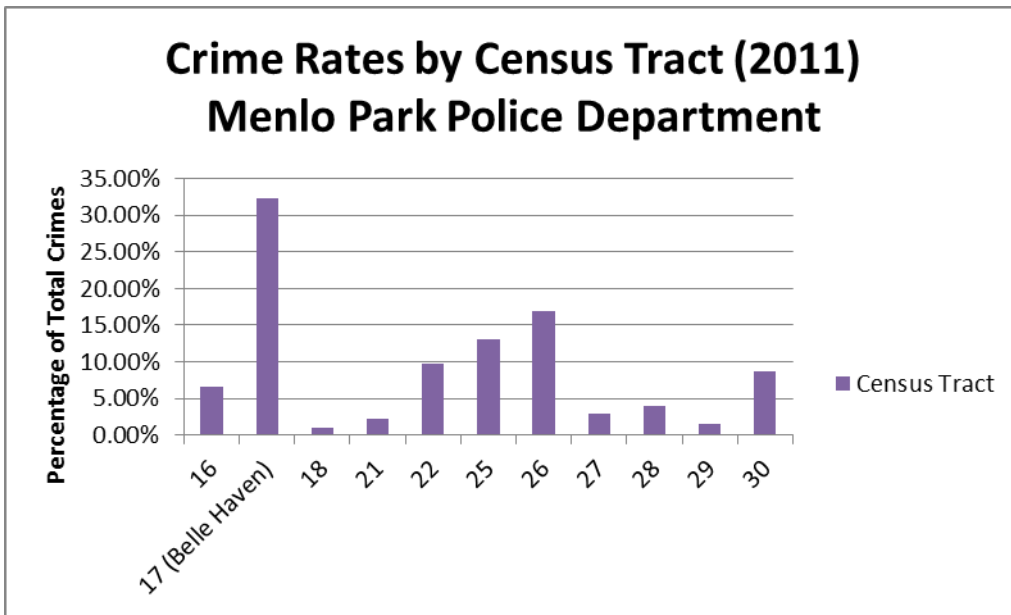
- In a survey of 244 Belle Haven residents in August 2012, respondents were asked if their relationship with the police had improved since living in Belle Haven? 40% of respondents indicated “Yes their relationship had improved”; 29% indicated “No” and 32% indicated they “Did Not Know”.

Crime Rates

- According to the Menlo Park Police crime statistics, Belle Haven experienced a 9 percent decrease in crime from 2010 to 2011, compared with a 1 percent decrease in crime in Menlo Park overall.
- Belle Haven’s average crime rate (32.3%) was the highest of all areas handled by the Menlo Park Police Department in 2011.

Juvenile Crime

- According to data provided by the Menlo Park Police Department, between August 2011 and August 2012, Menlo Park had 124 cases of juvenile crime. Of these, 66 cases were in Belle Haven. In other words, Belle Haven accounted for 53 percent of all juvenile crime cases in Menlo Park for the indicated time period.⁵



⁵ In this context, a “juvenile crime” or a “juvenile crime case” refers to any case involving a juvenile criminal. This does not necessarily mean that non-juvenile criminals were not involved.

Education

Level of Education

- According to estimates in the American Community Survey (2006-2010), 28.4 percent of the Belle Haven population over 25 hold a high school diploma or equivalent as the highest level of educational attainment, compared with 8.8 percent of the overall Menlo Park population over 25 and 21.5 percent of the California population over 25.
- About 13.3 percent of the Belle Haven population over 25 holds a bachelor's degree or higher, compared with 69.5 percent in Menlo Park overall and 30 percent in California.

Language and Literacy

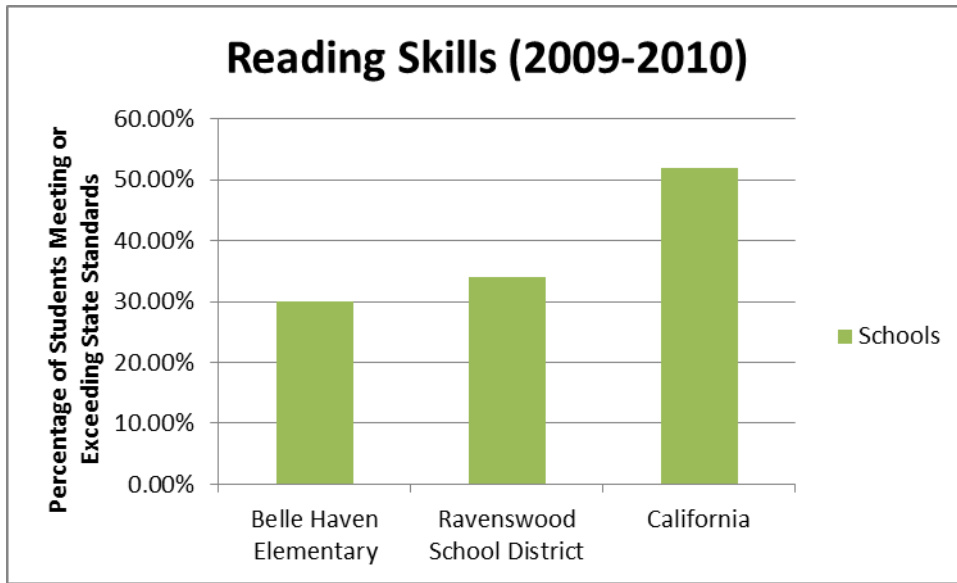
- According to estimates in the American Community Survey (2006-2010), almost 68 percent of Belle Haven residents over 5 speak a language other than English at home. Almost 60 percent of Belle Haven residents over 5 speak Spanish at home. In about 15.6 percent of Belle Haven households, there was no one over the age of 14 who spoke only English or who spoke English “very well.” Less than 1 percent of children (ages 5-17) in Belle Haven were recorded as speaking English “not well” or “not at all.” Almost 25 percent of working-age adults (ages 18-64) in Belle Haven were recorded as speaking English “not well” or “not at all.” Almost 34 percent of seniors (ages 65+) in Belle Haven were recorded as speaking English “not well” or “not at all.” Since 2000, the largest proportion of the Belle Haven population recorded as speaking English “not well” or “not at all” has shifted from working-age adults to seniors.⁶
- Based on a survey of Belle Haven conducted in 2005, 53 percent of respondents preferred to receive information about Onetta Harris Community Center and Kelly Park in English and 44 percent in Spanish. 78 percent of respondents agreed or strongly agreed that they felt comfortable speaking English with others.
- In a survey of 244 residents conducted in August 2012, 79% of respondents agreed that they felt comfortable reading and writing in English.

Reading Skills

- In the 2009-10 school year, 30 percent of students at Belle Haven Elementary School were meeting or exceeding state standards, slightly lower than the number of students at the Ravenswood City School District level (34%),⁷ and much lower than the number of students at the state level (52%).

⁶ Data on 2000 census taken from the 2010 Demographic Analysis of the Belle Haven Community for the Menlo Park Library.

⁷ The Ravenswood City School District includes schools in both Menlo Park and East Palo Alto. In Menlo Park, the schools in the Ravenswood district are Belle Haven Elementary, Willow Oaks Elementary, and East Palo Alto Stanford High School. In East Palo Alto, the schools in the Ravenswood district are Brentwood Academy, Cesar Chavez Academy, Costaño Elementary, Green Oaks Academy, James Flood School, Ronald McNair Academy, Ravenswood Child Development Center, San Francisco 49ers Academy,

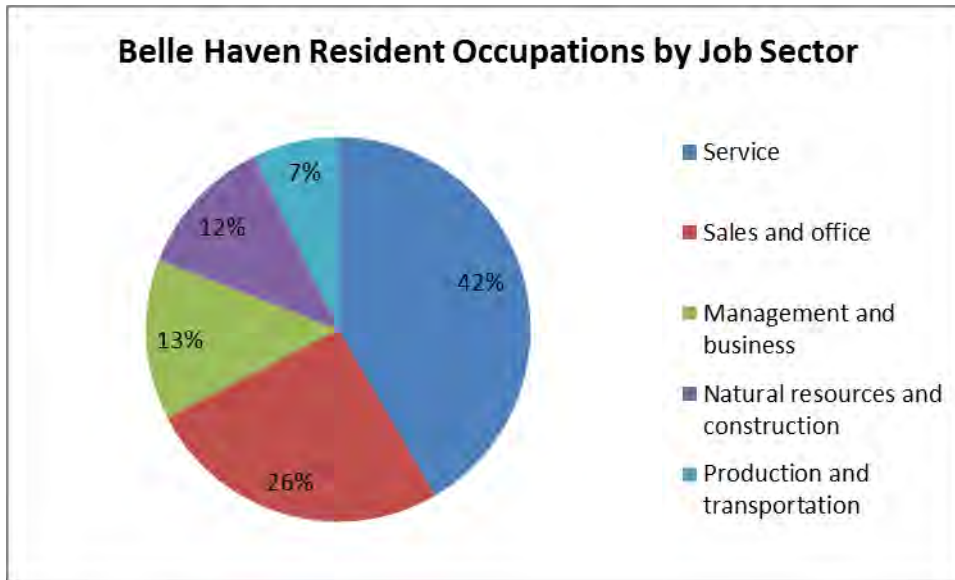


Economic Vitality

Employment

- According to estimates in the American Community Survey (2006-2010), about 76.2 percent of the Belle Haven population over 16 was in the labor force, compared with 68.3 percent in Menlo Park overall. The largest number of jobs held by Belle Haven community members was in service occupations (41.6%). Other job sectors include sales and office (25.8%), management and business (13.5%), natural resources and construction (11.9%), and production and transportation (7.2%).

and East Palo Alto Charter School. For more about the Ravenswood City School District, visit the website at <http://www.ravenswood.k12.ca.us/>.



Unemployment

- Based on estimates in the American Community Survey (2006-2010), about 8.4 percent of the Belle Haven population over 16 was unemployed in 2010, compared with 6 percent in Menlo Park overall and 5.8 percent in California.

Home Ownership

- In 2010, 52.4 percent of homes in Belle Haven were owner-occupied, slightly lower than in Menlo Park overall (56.1%).

Housing Affordability

- Based on estimates from the American Community Survey (2006-2010), the median home value in Belle Haven was \$562,100, about half of the median home value in Menlo Park overall (\$1,000,000 +), but higher than the median home value in California (\$458,500).

Real Earnings

- The median annual income in the Belle Haven neighborhood according to the 2010 census was approximately \$49,228, compared with the median annual income in Menlo Park overall (approximately \$107,860) and the median annual income in California (\$60,883).

Population by Income

- Based on the 2010 census, approximately 14 percent of households in the Belle Haven neighborhood fell below the poverty line (less than \$15,000 annually), compared with 6 percent in Menlo Park overall and 7 percent in California.

Public Assistance

- According to the American Community Survey (2006-2010), about 6.7 percent of households in the Belle Haven neighborhood received cash public assistance in 2010, compared with 1.4 percent in Menlo Park overall and 3.4 percent in California.
- During the 2005-06 school year, 84.3 percent of students in the Ravenswood Elementary School District were receiving free lunch.

Hunger

- As of the 2010 census, about 7.3 percent of households in Belle Haven had received Food Stamp/SNAP benefits in the past 12 months, compared with 1.4 percent in Menlo Park overall and 5.4 percent in California.

Community Conversation Interviews

Question: Based on your experience and what you hear from family and friends, what do you think is the biggest issue currently facing the community?

Summary:

More communication/collaboration East and West, Improve education (Belle Haven in Menlo Park School District instead of Ravenswood), better ways of getting the word out, Community should be more self-sufficient, improve landscape here in Belle Haven (Better streets, sidewalks, more businesses and resources), more job opportunities.

- Belle Haven is a senior community, need to be addressed. Down to a lot of young families and children, figure out services. Facebook will be large compound, traffic. Vacant buildings need to be filled for jobs in the community. Need seminars to educate people on what they can do to make things better.
- Education is the top issue—the quality of education and the way it is organized. Under the current system, children in Belle Haven are disadvantaged when they leave. Employment is another issue. There is a lack of entry-level and medium-level jobs in the area for Belle Haven residents. There are no jobs at all in Belle Haven. Without more variety in the types of jobs available, residents have to work at minimum wage or they have to apply for jobs that require advanced degrees
- The school and the Belle Haven library—people are not comfortable with them, though some people think it is okay. We need more competent teachers in Belle Haven schools, teachers who will teach students how to compete with others in higher education.
- There are three programs: Boys and Girls Club, OHCC, Belle Haven afterschool but it takes all of us to raise the kids. Public needs to know the services available to them. Get info out there, some people still don't know.
- Safety, parents feeling that their kids are safe. Kids struggling with transition to M-A, lack of opportunities for kids' leads to bad decisions.
- Crime prevention and quality of life are the two big ones. I've lived in Belle Haven for about fifteen years. Crime from East Palo Alto has tainted the neighborhood. But Belle Haven has also improved. The recent shooting on Madera has people ready to address crime issues and the community's relationship with the police. On my way to the Homeowners' Association meeting at OHCC in early August, I think it was the first Wednesday of the month (8/1), I was driving up almost to Terminal, trying to get to the meeting, and a police officer stopped me and told me

very rudely that it was a crime scene and that I should get out of there. If the police show that lack of courtesy to everyone, it is going to generate bad feelings. The police and the Belle Haven community need to bond. It's a small community and people should be able to know the police officers who patrol here. Belle Haven has changed—the police should know that and act like they know it. Also, some Belle Haven youth could be trained as police officers, which might improve the relationship. Youth are not engaged in this community. Both the community and the city have to focus on youth more. The Belle Haven Community Foundation is trying to address this and many other issues related to the quality of life in Belle Haven. We need to be self-sufficient and responsible; it is not all on the city and the city should not see Belle Haven as a burden. Infrastructure also needs attention in Belle Haven, like parks, signs, streets, and the traffic bottleneck on Willow where the road narrows into one lane. There is only one way out of Belle Haven in an emergency. I'm not sure how to fix this, but Hamilton, Ivy, and Newbridge lead to Willow and that is the only way in or out. There should be safer routes made for children going to school, especially those going to the west side.

- The biggest issues facing the community are adequate services, effective schools, income levels, and immigration status. Under services, think especially of health and wellness, both emotional and physical, and recreation. Under immigration status, think of the effect on families and on the larger community, particularly of the fear of deportation. Gap in education/ health care, perception of being under achieving. Kids continue to do so enhance the community
- Belle Haven Elementary, or education more generally, is a major issue. If you look at the API scores of the Menlo Park City School District, they are much higher than average, but for Belle Haven they are very low. If Belle Haven was made a part of the MPCSD, the school might do much better. It is hard for people to be excited about sending their kids to Belle Haven Elementary. I live in the Hamilton enclave of Belle Haven and most of the school-age kids go to Beechwood, to private schools on the west side, or are in the Tinsley program. This hurts Belle Haven Elementary, if the children of the well-educated residents do not go there, but there is no incentive for parents to send their kids to Belle Haven Elementary. It becomes a catch-22 of sorts because how will Belle Haven Elementary improve if higher-performing students don't attend? Beechwood has been around for a long time and seems to generate a lot of positive community sentiment. Housing is another major issue. We are at somewhat of a crossroads. Gentrification is a definite possibility, especially with the arrival of Facebook. This is good for homeowners because with more homeowners there will be more taxes paid to support the schools. It is, however, bad for longtime renters who might also be neighborhood stakeholders because they will be displaced. As you've probably seen from your research into the statistics, Belle Haven is experiencing a demographic transition. Traffic is the third major issue I can think of. I think people are generally satisfied with the upward trend of the Bohannon industrial complex. At the same time, the Willow-Newbridge intersection is a really bad traffic area. Also, the Menlo Park Police substation is a major blight on the city. It looks awful and reflects badly on the Belle Haven area and on the city overall. Unfortunately, it also happens to be beside a really good restaurant, the Backyard.

ATTACHMENT B

- The overall landscape needs attention—public areas are undeveloped and look abandoned. It is not as well kept as the west side. There is more police activity on this side—the police presence is good because we feel more protected, but the necessity for it indicates that people are doing things that they shouldn't be. There could be more communication with Belle Haven residents. For example, public meetings. The September City Council meeting hasn't really been publicized much, unless you have access to the website. There could be more communication between the residents and the west side.
- Unemployment, young adult activities, communication between the east and west (city government), street maintenance, infrastructure, schools in Belle Haven versus West Menlo Park schools, Belle Haven School and Willow school versus MPCSD, are all big issues.
- Education system, not fair for non-native speakers and native speakers. Held back because of native speakers. Passing along kids. Makes it difficult when they go to high school.

Question: When you think about the future of the Belle Haven neighborhood, what do you see?

Summary:

Stop forgetting about Belle Haven, part of the City, Stop cutting services here-less for the have-nots, Want to be more like the West side, There is starting to be another ethnic shift. We feel divided and there is a strong bitterness because of this and we feel ignored.

- There are a lot of residents who are willing to speak up and do what is needed to make changes. We need to get people in both parts of Menlo Park to understand that Belle Haven is part of Menlo Park. It's necessary to break down the existing separatism. I am hopeful. I've worked here for 20 years and seen a lot of positive changes.
- Envision being more like the other side of town: have shops, walking, bike trails, and sit down areas. Make like a bit nicer.
- I see people knowing each other and each other's children, and the children knowing us. I see people not parked on lawns because something has been done about parking. I see more affordable housing, to offset the current overcrowding. I see self-sufficiency, services in Belle Haven, and jobs for youth and for everyone. I see no more long commutes to work. I see Belle Haven residents working for the city of Menlo Park. I see better, safer bike paths on Willow. I see an abundant community, with less or no crime. With sufficient housing, jobs, and food, there will be less crime.
- I see land that could be developed. Families need social services, for example there are no clinics for them to go to.

ATTACHMENT B

- Success, kids coming up. (key) strong stakeholders continue to propel neighborhood
- I hope for gentrification. I want to see more new homeowners buy up and improve some of the homes that look awful. With more new homeowners, more kids will come into Belle Haven Elementary and test scores will improve. I would also like to see Belle Haven Elementary brought into the Menlo Park City School District. It's hard to say what will push the other because no one is making the first move. Either improvement to the school will bring in new homeowners, or more new homeowners will cause improvements in the school.
- Don't see anything dramatically different, doesn't see gentrification. His hope: school would become beacon, longer learning day, summer instruction, everything in a bigger scale, Boys and Girls club turns into teen club house and everything else held at Belle Haven School.
- I've lived here since 1955. There is a need for housing, especially new low-income housing. There is some concern among residents about gentrification. The community was originally designed as a place for minorities. Now longtime residents can't afford to stay and those who do stay feel that their needs are not being met. Originally there were a lot of Europeans and Asians here, then it shifted to an African-American majority, then a Latino majority with equal proportions of Pacific Islanders and African-Americans, and now more Europeans are moving back in. There have been improvements over the years, thanks to both the city and residents. The "curb appeal" of the community has improved.
- Up in the air, because it's changing demographics
- I see a better school for a new generation. I worked in the library commission and we tried to send a letter to the city. We need a bigger library in Belle Haven, but there is no space. I would like to see a new library and a new police substation. The current police station has no parking. Menlo Park can look better; we pay the taxes to make it look better. Even if there can't be a new Belle Haven library, we could have new and more books, and more computers, especially if they added a second floor. New things attract more patrons.
- It's tough to know because of budget cuts and not knowing what kind of impact they will have. The city hits hardest the programs that are needed most. I really don't know what the future looks like. We were left out of the decision regarding Facebook. No one said it would affect the Belle Haven community. Belle Haven didn't gain much. A small community foundation fund was established, \$500,000 over five years, to be shared between Belle Haven and East Palo Alto. Groups can apply for grants, but at \$100,000 per year, there isn't too much that can be done. I hope that the future of Belle Haven will be the future of Menlo Park. I want to see one city, not divided into east and west. There is a big infrastructure gap between east and west. Tree

maintenance is much better on the west side. The blatant difference between east and west generates bad feelings.

- Trying to get closer to what is offered in other communities and what is offered on the other side of Menlo Park. Example: summer time programs for learning retention. Public become more serious about the kid's education.

Question: What concerns do you have for the future of the Belle Haven neighborhood, what do see?

Summary:

Cuts keep happening in a community that needs the services the most. Need equal access to education. More jobs for youth and adults who live here in Belle Haven.

- If there are going to be budget cuts, what will be cut? How will it affect the quality of life in Belle Haven? We need to make sure programs continue, even if there are cuts. Child care, after school care, and the senior center should definitely not get cut. We need to collaborate with the city to find alternatives. Does the city have a development department that focuses on finding funds for Belle Haven? That might go a long way toward solving some issues.
- We need equal access to education in Belle Haven. Right now, there are a lot of young people transitioning into adulthood who cannot have stability in their lives because of educational inequity. Public schools struggle to reach everyone. The high school graduation rate in Belle Haven is below 50% that alone should be a cause for concern. Educational inequity perpetuates existing issues like crime, problems of emotional health, and drug use and addiction, and undermines the ability to form strong families. College readiness is another concern—most kids in Belle Haven are not prepared for college. For the ones who never graduate high school, what are they going to do? Some will find ways to succeed, but others won't. There is a tendency right now to look at symptoms of problems rather than their causes, when looking at the causes is what will solve the problems. Right now, the issues we're confronting are the symptoms of a lack of services.
- Better services. Have it so you can come together and talk. More bike friendly.
- There are underdeveloped areas that are not kept, like the railroad track on Chilco. It gives the community a devalued look. Government cuts and budget cuts are a concern. If there is a change in police presence, that would mean bad things for this community. The police substation was supposed to be developed but it wasn't. Security is always a concern.
- Real Estate prices and safety.

- Being the same, creating opportunities for kids they need to feel valued in the community and an opportunity for work.
- Things have gotten worse over time in education. The successful ones leave and don't come back. Those that stay have little hope of a future, which perpetuates crime. The difference in housing prices between East and West Menlo Park creates a stress on residents here. We live all right here, but sometimes it may not look like it in comparison to over there. When Belle Haven kids go to high schools on the west side, they are not encouraged to enter college prep courses. People over here are often unaware of features such as academic tracking and do not realize that this influences the classes their kids are assigned to in high school. Here we have a school district that is 30% immigrants and on top of that, 40% English language learners. Consequently, most of these kids are placed in regular, basic, or below basic classes in west side schools. The dropout rate is very high here, about 60 to 70%.
- This community has limited resources. There could be ways to maximize that, but more also needs to be put in. There could be job training at OHCC. There could be more activities at OHCC. What about the OHCC computer lab? That could be put in use for more hours of the day.

Question: What concerns do you have for the future of the community?

Summary:

More for teens and young adults, more community involvement. Fear of gentrification and residents becoming pushed out due to higher prices.

- Community involvement, getting that across to the younger ones, also community services.
- Gentrification, challenge with new people coming in, hard for older people.
- Things have gotten worse over time in education. The successful ones leave and don't come back. Those that stay have little hope of a future, which perpetuates crime. The difference in housing prices between East and West Menlo Park creates a stress on residents here. We live all right here, but sometimes it may not look like it in comparison to over there. When Belle Haven kids go to high schools on the west side, they are not encouraged to enter college prep courses. People over here are often unaware of features such as academic tracking and do not realize that this influences the classes their kids are assigned to in high school. Here we have a school district that is 30% immigrants and on top of that, 40% English language learners. Consequently, most of these kids are placed in regular, basic, or below basic classes in west side schools. The dropout rate is very high here, about 60 to 70%.

ATTACHMENT B

- This community has limited resources. There could be ways to maximize that, but more also needs to be put in. There could be job training at OHCC. There could be more activities at OHCC. What about the OHCC computer lab? That could be put in use for more hours of the day
- I am very concerned about the young people. I would like to see OHCC have more resources. Young people are in danger of being killed or jailed and this danger arises from gang violence and drugs. There is probably even a lot more going on than we are aware of. There needs to be a program targeting 18-25 year olds to address the issues that they face. There should also be a teen center or more programs for teens at OHCC. I don't think people want to see Belle Haven go back to the way it used to be. The parents of the teens I currently work with say that Belle Haven used to be much worse in terms of crime. The city has done some good by building and maintaining parks, but it is not enough to keep kids off the streets. Educational programs at OHCC would be the best preventative measure. The right people aren't at OHCC to influence the community. There needs to be someone who can relate to the community, and to whom the community can relate, someone who talks like them and looks like them. Also, the results that the city wants are not always the results that the community wants or needs.
- Have all the kids graduate high school and get some sort of post high school education, not necessarily college.
- Community involvement, getting that across to the younger ones, also community services.
- Education is an issue, setup to fail everything related to that. Relationship with other side of Menlo Park. New people have more money, people get less. Gentrification. Can't afford houses, example: pool not subsidized anymore and people can't afford it.

Question: What would you like Menlo Park City Council members to know about the Belle Haven community?

Summary:

More connection to both the West/East Sides. Council members need to reach out more to the Belle Haven residents. It appears that council members do not really know all that goes on here in this community. Have more council meetings here in the community.

- This community is a group on the move. The community has changed over time. It is a group that is able to make good decisions for itself.

ATTACHMENT B

- The City Council members should know all that there is to know. They shouldn't need me or anyone else to tell them. If you are going to run for City Council, you should know the community, know the issues, and know the people.
- Community like every other community. What we don't hold in degrees hold in integrity, street smarts. We can balance a budget as well as anyone. We are used to having to survive on very little. You (City of Menlo Park) are not doing us any favors: Come as a peer. We are on the same plane.
- There are a lot of hardworking people in this community. Political non-involvement does not mean they do not care. Often people here are barred from involvement by feeling uncomfortable, or they do not have time, or they are not aware of how to be involved in a political process. There needs to be more outreach by City Council. More meetings need to be held here and translation is a must. It's not as simple as to say City Council meetings are open to everyone—there needs to be more active attempts to engage Belle Haven residents. Of course, I've also seen progress with the City Council since I've been here. City Council should also keep in mind Belle Haven's history and respect that history, whether it is a history of anger or frustration or whatnot
- Tending to forget this side, look at it as all being one.
- Don't be afraid of it, been politically afraid of change. Buy-In value
- We would like to be more connected to the west side. In terms of physical connections, there could be easier access. They redid the footbridge, which was good. We also do not want to lose our subsidies. We want to be like the west side, but we need to be helped along to do it. I would like to see everyone in Belle Haven enjoying the same standard of living as on the west side. I would say the Council does a pretty good job. They are compassionate about Belle Haven and understand how Belle Haven came to be. I know that there are some historic issues, but overall I would say they are doing a good job.
- I would like the City Council members to understand what it means to have to work two or three jobs just to live. Along with that, I would like them to understand how hard it can be to attend something like a parent conference or a City Council meeting, things that might seem easy or just minor inconveniences to people on the west side. Unfortunately, these are usually meetings where important decisions are made. Morning PTA meetings are also inconvenient—most people over here are heading to work at that time. A City Council meeting that runs four or five hours in the evening is not going to appeal to someone who just worked a 14-hour day. The needs of the working poor in Belle Haven are not taken into account. Even Belle Haven professionals keep long hours, usually because they are trying to advance themselves in their careers. There is a wide misconception that low attendance by Belle Haven residents means lack

ATTACHMENT B

of caring. I would like City Council to know who we are, what we have to do to survive. Also I would like City Council to know what this lifestyle means in terms of kids getting academic support—they don't because their parents don't have time to provide it. At any meeting, food and childcare are a must. It needs to be understood that there is an additional cost to support programs in Belle Haven. There are few college-educated residents here. This means that some issues perceived as important by West Menlo Park are not seen the same way here because people have no perspective on the issues. A lot of people here also don't have computers, or they have computers with no access to internet. Lack of access to technology impacts a child's academic performance. If there is limited computer lab time at school, and the library has limited computer use policies, kids have a hard time completing electronic assignments. There are a lot of logistical issues that people here have to confront. People also walk to get places here, but if resources are moved out of the neighborhood, they will no longer be accessible.

- I would like to see a nice look for the city. Belle Haven has looked the same for years. The street lines are faded or not present and safety is a concern. On Hamilton, the speed limit is too high. There should be more signs and crosswalks. The trees in the neighborhood are not cut. The city should pay more attention to Belle Haven. Residents need to see the results of the taxes they pay.
- The residents are hardworking and are not always as engaged in community meetings and activities because of work and child care. I think the residents are mostly homeowners. Many have lost their homes and moved out, but for the ones who stayed, they want to do more and want to be acknowledged as part of the wider Menlo Park community.
- The Belle Haven School is an issue. Why isn't Belle Haven part of the Menlo Park School District?
- Education is a big part of their lives; many kids are the first generation in their household to go to college.

Question: Can you think of any strengths or assets in the Belle Haven community that would help with getting people involved in a possible visioning process?

Summary:

Many "siloes" in the community looking out for their own interest and don't want to help or collaborate, but tend to be the loudest voices. Need to come together as a whole before we can really succeed.

- There are some self-contained groups, or "silos," that do really good things for themselves but do not necessarily collaborate with other such groups. They tend to be protective of their

resources, too. Unfortunately, these groups tend to be the most vocal voices in Belle Haven, so the council only hears them. Individuals who do not belong to these groups have no venue to express their opinions. There might be a lot of people who agree, but don't know it, and there is no way of getting their voices to unite. People also feel that their opinion is not valued and that problems will therefore not get solved. Sometimes West Menlo Park does not understand this. We could have something like a town hall, where individuals, not groups, get up and speak. It's a culturally diverse community, which is strength. I'm part of a new organization, the Belle Haven Community Foundation, which is trying to include all ethnicities. Some groups or individuals are not comfortable expressing themselves or attending City Council meetings. It might be best if cultural representatives were chosen, so that all opinions get heard but are expressed by people who are comfortable with communication. There is a lot of talent in this community and people are interested and want to see improvement. Of course it will take a while to get everyone to agree. High school kids are not welcomed in this community as they should be. They are not supported and not given a positive environment. There is too much focus on college talk with these kids and not enough focus on careers. Therefore, these kids don't see the relevance of what they are learning in high school. Career technical education does exist in California, but it hasn't gotten to our middle schools yet, where it needs to be. We should mentor kids more, help them figure out where to go, what to do, and how to get there.

- There is a chance, manageable problems.
- Well, different people will want different things. A lot of the things they want might be “nuts and bolts.” For example, street and sidewalk improvements. It's good for people to feel like they have an outlet to tell the Council specifically what they want to have done. In the past, I think people have felt that the Council took a broad perspective without necessarily addressing specific needs or concerns.
- Belle Haven is a community in transition. There are old-timers and new. There has been some blending in the last five years, but there is still a ways to go. The community has a lot of untapped strength that the city could use but doesn't. People here have a lot of personal skills, skills in the arts, electronics, and the computer industry. There are skilled workers here but they can't get skilled jobs. The city government's job is to take care of the have-nots. There should be a job bank here. We will not come to the table if we do not feel invited. In the past it felt like we were being given leftovers or crumbs.
- It is a resilient community and very strong emotionally. There is a very strong sense of family here and it is possible to find common ground. There is a deep sense of caring for the young people—this is a major misconception about Belle Haven. It is not that parents care any less for their children here; it is that it is more difficult to be a parent here. There is also a willingness to

grow and adapt. Take the shift from an African-American majority to a Hispanic/Latino majority. That transition required tolerance and adaptability from all sides. People are also very forgiving here and willing to move on.

- People would like a sense of being able to communicate and share their ideas. There are few opportunities for Belle Haven residents to do this. There are few meetings at OHCC to get residents' input and some of these have been canceled. We would like to be able to express our concerns as well as positive changes in the community on a regular, ongoing basis.
- Talks- lead by local elders, let them use facilities for free, add components for young crowd
- Things are getting better. We are now more connected to the west side. Change might not happen as fast as we would like, but it is trending upward.
- Parents want their kids to be successful. Council members could provide opportunities for kids. For example, an internship involving job skill training would be really good and more purposeful than just giving them a high school education. There are some residents who look for free handouts and will try to take advantage of the system. Most families are happy to give back, in my experience. Provide a co-op, an opportunity for families to buy in, something that makes a bigger impact on the families, and something that is less one-sided. For example, we offered a free SAT class in exchange for getting some families to put in volunteer hours. It is a win-win situation. Residents should know that the city can be empathetic and provide support and workshops geared toward what the residents are going through.
Strengths: good job of getting message to parents. Example: Neighborhood Advice Group at Boys and Girls Club, family night, they offer workshops on homework help etc.
- Community Workshops with all stakeholders. People that work here are still part of community, even if they don't live here.

Question: Do you have any concerns about getting people involved in a possible visioning process?

Summary:

Get youth involved and share how important this project really is. Really follow through with this process and do not drop the ball. Be upfront and clear about what the City is really doing. Take time to really promote the meetings and what the plan is.

- I might potentially be concerned about the nature of the vision produced. Would it serve families and children well? Would it address the core issues? Would it represent real commitment to change, or just window dressing? Would there be sufficient community input? Who in the community is being consulted and how is this decided?

ATTACHMENT B

- The older ones will let them know, help younger ones know the importance of this.
- Talks can go somewhere you don't want it to go, but need to take risk and just prepare.
- No.
- Have to reach EVERY family in the community, big melting pot.
- Community needs conversations to be diverse but also separate. People feel more free to talk in own language

Question: Are there methods for involving people that have worked especially well in Belle Haven? / Not so well?

Summary:

Go door to door (Canvassing); Make sure reading material is clear, concise and translated. Maybe have a special event or use special events to promote meetings, etc. Phone calls or emails. Send out a letter to the community before the meeting to explain the process more. Too much jargon during meetings turns off residents. Have more than one meeting at different times due to residents' busy schedules and time constraints.

- Phone calls work well to invite the entire community.
- Well, you are dealing with a lot of disparate communities. Electronic communication or social media works well in my area, but not all parts of the neighborhood are computer literate or have access to the internet. You get the same five people always showing up to community meetings. I don't know how to change that. Maybe if people felt that their opinions made a difference they would be more willing to participate. You might try a "letters to the editor" type of approach with your newsletter to get feedback. People can submit their concerns. You might get some responses that way. If it's practical, you could also try canvassing street to street, since it is a small community.
- Many people speak a language other than English. Translation is a must. Having meetings in the Belle Haven area would be a big help, especially on a regular basis, with a calendar to let us know that they are upcoming
- Well-food/outings bring us together. Gear something around field (soccer). Market workshops more like fun events.
- Door to door, has to be insightful info., scare tactics ("If you don't use it you will lose it")

referring to cuts.

- A well-handled event is a good idea. Make it enjoyable, provide food, do visuals with a projector rather than writing on a whiteboard. Work with residents to organize a meeting. Last time we were able to get lots of restaurant donations. The city doesn't necessarily need to spend a lot of money. Work with the Belle Haven Community Foundation. These meetings should be a collaborative process. It does not have to be a burden on the city. Even if things don't work out the first time, it is important to keep trying.
- Having meetings here is a start. Translation is a must. A two-way conversation is good. There should also be an understanding that people might not know how to enter a political process. The organizers of the process should build trust with the community. Community residents should see that some of the leaders in the process are people who really care, people who are familiar, for example Alejandro. Also think about mixing business and pleasure. Potlucks, a meet-and-greet, live music, all of those are possibilities. Advertise meetings as fun community events, something people will still want to attend after a long day at work. Something for kids always helps. Make it inviting.
- Word-of-mouth is a big one. If you create an issue, people will rally around it. For example, people came out to talk about cuts in redevelopment funding before, and about Facebook home buyers. Present it as an issue that they have a stake in. Do this for mail-out flyers especially. People will toss mail if they don't understand it or if it doesn't seem important. Make sure to translate anything you send out. Also, some people don't read their mail. Identify big groups and approach them for help in establishing communication. Better yet, recruit neighborhood people to do this for you. Go to churches, businesses, and schools to do this. On-site surveys will also work well. Go where people are comfortable. Know that Belle Haven residents attend churches in Redwood City and Mountain View. Bridget will have some of this information. You might also try longtime realtors. Stress the importance of participation. Use PowerPoint or videos and get people engaged as you're explaining the process. Start people talking among themselves before the September council meeting happens. That way people will have a better idea of what they think about the process and community issues, and they might be able to choose representatives to attend the meeting and speak. Seniors are also a good resource. They engage their families. You might try going to one of Avidah's lunch events and having her talk to everyone at once. Host a social event for the community. The Belle Haven Community Foundation has a social website called Next Door that might be helpful. It is a social website for neighborhoods and Cherise often posts things on it. Also, bring your flyers to other community events and use that as an opportunity to engage people.
- Just trying to get them here. Draw people from programs/ classes already here.

ATTACHMENT B

- Many people speak a language other than English. Translation is a must. Having meetings in the Belle Haven area would be a big help, especially on a regular basis, with a calendar to let us know that they are upcoming
- Put one person in charge. Have a city person go to Belle Haven school meetings. Send out more flyers; establish better communication between the city and the community. There **needs to be** more outreach on the part of the city. Send out emails. Schools are a good connection—they can pass along news to parents.
- Involve children that bring out the parents. Turnouts vary a lot. It's hard to predict what will work. I suggest starting way in advance and just trying over and over. Flood the community with flyers, stuff the mailboxes.
- I'm not sure about at the city level. I think the Boys and Girls Club budget is way bigger than the OHCC budget because we have federal funding. I think it's important to stand behind our mission and core values. We make a visible impact on children. The city needs to show that it is willing to go the extra mile, in whatever form, and to establish confidence and trust with the community. It is a very tight-knit community and families will rally together. They all love Menlo Park and take a lot of pride in the neighborhood. Kids especially have a lot of pride in the neighborhood, which tells me that there is hope among them for a future. Let people know that the city cares.
- Come to the Boys and Girls club and hold events. Requires direct communication with the public.
- Give too much info, get lost in jargon. Be upfront about objectives.

Question: What do you think are the biggest barriers to getting neighborhood people to participate in community discussions and decisions?

Summary:

Have a clear vision. Belle Haven needs more education on how the political system works. More communication or notification of when council meetings are taking place. More meetings here, because transportation is an issue.

- Language, definitely, is a barrier. There is a lack of cultural understanding in all directions. There is a lack of awareness about how political systems work. There is a lack of belief that it will make a difference to get involved. There is a lack of time in residents' schedules.
- Coming from "the city" and "big" council people don't like coming over here. Front and center approach with people they see daily.

ATTACHMENT B

- People have to work in this community. Between jobs, kids, and extended family, they just don't have time to get involved. Language is another barrier. People whose first language isn't English might be intimidated by English-language meetings. Transportation and access is another issue. It is very difficult to get to this side of town during commute hours. Traffic on Willow and Marsh is bad.
- Education—both the level of education and the difference between the East and West. People over here are embarrassed sometimes to speak out in front of people from the west side because they might get put down. People on the west side speak with authority. Cultural differences are another barrier. For example, African-Americans are not comfortable being in a room where a lot of translation is going on because they find it distracting. Try using headsets that provide a Spanish translation, or hold separate meetings. Meeting attendance is also affected by who is going to the meeting. Belle Haven people will be edgy if a lot of people from West Menlo Park are present. There is a feeling that West Menlo Park doesn't care about Belle Haven. There is also a feeling that West Menlo Park will try to take away from what Belle Haven has. For example, OHCC has been here for years, but signage only went up recently, when more West Menlo Park people started coming here. Is that a coincidence? Some people don't think so. People will not trust why the visioning process is
- Getting the word out, bringing the community together. Need bilingual staff because communication is an issue.
- People feel like it doesn't matter whether they voice their opinion because they do not see results.
- If they feel that they stand to lose something, they will come out and give their opinions. They will be suspicious of too much of a positive attitude—it seems fake. It's important to help people understand what exactly "visioning" means, especially the intent and outcome. Of course, often it's hard to know the outcome in these cases, but people will be upset if the real outcome turns out to differ from what they all thought it would be, so it's important to keep track of what they think it might be.
- Language is a barrier. Time is also a barrier. Many people have multiple jobs and/or families to worry about. There is also a cultural difference—people trust elected officials and city employees to do what is best for the community and don't always understand that resident input and participation is needed. Location is another barrier.
- Language, the perception that you are not wanted, the racism in West Menlo Park, and the economic factors are all barriers to participation. I've lived here for forty-some years and I've experienced the racism firsthand. The city has done some things. In terms of community

ATTACHMENT B

engagement, they need to stop dictating what will be done to this community. Residents didn't have a say at the last budget session and it felt like things were thrown at us at the last minute. I got some parents together in an engagement movement. The community engagement report presented at that time didn't tally with what was actually done.

- People in this community work a lot, often multiple jobs, and just don't have time to get involved. There are a lot of single-parent homes and broken homes. Kids take care of themselves. I wish it was possible for families to prioritize their work schedules. I think part of what prevents them from doing this is that they fear losing their jobs. On the flip side, some of the parents work for materialistic possessions rather than spending time with their kids. We have people who claim they cannot afford the annual Boys and Girls Club fee (\$25), but who are simultaneously driving around in brand-new, expensive cars.
- Skepticism of value, not seeing the value in it. Being busy and feeling disconnected from the community.
- Most of them afraid due to language barrier. But we have translation now, can get them all together.
- Also might need not just one but two meetings due to different work schedules.

Child care. Lead games or something for kids, during the meeting. A vote would be a faster way to make decisions. Too many opinions and the meetings get too long. People on other side should not get choice on Belle Haven Decisions we (Belle Haven Residents) pay for stuff we don't use.

Question: How do people in this community get their information about what's going on in the community?

Summary:

Mailer/Newsletter, Flyers, Word of Mouth, Almanac.

- Beechwood School sends out information when possible—we use a school newsletter and
- Parent advisory meetings, and sometimes we ask parents to attend City Council meetings.
- Word-of-mouth is also a big one. Community activists and their groups, like Matt Henry and
- Alejandro, also keep people posted.
- The Almanac, maybe. I'm not really sure.

ATTACHMENT B

- Email is good, at least for the people I communicate with. People also call me. OHCC meetings are another way. Also use papers or flyers for people who don't have computers.
 - Mailings are what I look at, especially calendars and newsletters. I also communicate with my friends, like Alejandro, who sends me emails about things that are happening. I would say electronic communication is fairly common throughout the community.
 - Word-of-mouth, definitely. Also try mailings with translation.
 - Word-of-mouth, definitely. Like I said, that's why we need an influential person in the community to be in charge, because they would know how to get the word out. I know the Harris family and they seem to feel that OHCC values are no longer the same as they were in Onetta Harris's time.
 - Word of mouth, phone calls.
 - Word of mouth. Could get messages out on the community board.
 - Word of mouth. Palo Alto Daily and the Menlo Park Patch

Question: Do a lot of your neighbors communicate through email and/or other electronic methods, like Facebook?

Summary:

More youth currently use Facebook. Adults and older adults are starting to become interested, but may require training on how to use it.

- The use of electronic communication methods is growing. I would say it's over 50% among Beechwood parents. I can reach most parents by text message. The younger crowd.
- Parents are getting training for Facebook.
- It's coming around, some have emails now.
- There is not much electronic communication here. You could maybe do a study to see what percentage of residents have internet access. There was a missed opportunity during negotiations with Facebook—they could have worked to get Wi-Fi access for Belle Haven residents.
- Most have phone with access to email etc. but still a lot that don't have that.
- Haven't really used electronic methods.

Miscellaneous notes:

Summary:

Have separate meetings (Items about Belle Haven should only be inviting neighbors from Belle Haven). More use of fields for residents (Should not have to pay fees). Worried about gentrification and getting pushed out. Traffic concerns. Belle Haven should be as nice as the west side. Education opportunities need to be better for youth. More job training classes.

- Meetings should be separate, meaning each community should have their own. This way certain issues would only pertain to that particular area. Would like to see advocate for kids in regards to Ravenswood district, kids are failing.
- You have a lot of different groups here—Spanish language groups, the Hamilton enclave, the Islander groups, the African-Americans. If we all understood each other's differences better, it would be easier to bridge those differences. Hamilton enclave is what we hope Belle Haven will become, but how we get others to buy into the same vision is the issue.
- Facebook traffic is an issue. We need to know that what we think and value will be considered in this visioning process. Belle Haven values are not appreciated by West Menlo Park and the city is not perceived as working in Belle Haven's best interests.
- Distribute information about the visioning process before the September meeting, to give people a chance to think it over. Give specifics. Make sure people know all the facts. Be upfront. If a loss of funding has been gradual, make a graph showing the trend so that people understand it to be a problem.
- Regarding the city services provided in Belle Haven, how did they decide what to provide? For example, we have the after school program and senior classes, but are the offerings always what the community needs? What processes are used to gather information to select programs and services?
- Regarding community participation—it would be higher if people knew more about the programs and services offered, and if these programs and services were more in line with community needs. I've been to some senior classes with my mom and the attendance is small.
- I suggest a calling system, or at least that is what we use in education. That way, people can get information instantaneously and do not need to know how to use the internet. Also, try doing what you're doing now, asking people directly, but on a larger scale. Lastly, try hosting community events to gather information.
- Kelly Park and the Belle Haven school field—why don't Belle Haven residents get priority? Belle Haven has a shortage of fields. Some Belle Haven groups tried to reserve it a year in advance

and it was already all booked up. Sometimes these facilities should be set aside for use by residents.

- This process has been done before. They've gathered information and it has just been put on the shelf. I hope that won't happen this time. In the past, I felt like the feedback we got from the Community Services Department was that we didn't really have a say. Will it be different this time?

I started working for the Community Services Department in 1998, in teen services at OHCC. It felt like a tense time, a time of transition. I grew up in West Menlo Park, so I didn't even know that Belle Haven was a part of Menlo Park and I had no idea of the conditions there. There were ethnic and racial tensions when I started. The African-American workers at OHCC were very tense with the other employees because the supervisor had just left. A lot of them were longtime residents who influenced the local parents and teens that I worked with. It was an uphill battle to make a difference, but as a new person of color I thought I might be able to have an influence. People's voices were not being heard and it was an issue that needed to be dealt with from the top. The voices of people of color were either blocked or not heard or validated. There was a sense that the community had given up and a lot of African-Americans had moved out. The teen center at OHCC at the time is now the after-school child care program. After funding was cut at the teen center, it was thought that there would be collaboration with the Boys and Girls Club. I worked at both Burgess and OHCC, so I saw both sides. I saw the resources in West Menlo Park versus the lack of resources in Belle Haven. If the city does not invest in Belle Haven, there is no reason for Belle Haven residents to care about the city. Family is the most important thing to a lot of Belle Haven residents. The city should show that it cares about Belle Haven. For instance, Belle Haven should not look so distinct from the rest of the city. Around the New bridge area, near the police substation, it looks very run-down. This would never be allowed in West Menlo Park, so why is it okay in Belle Haven? The distinctions between Belle Haven and the west side are not fair and not right. I am currently the full-time teen director at the Boys and Girls Club. I think that to give kids hope of success, you need to broaden their experiences. I get that funding is not as high for Belle Haven—a certain standard is expected in West Menlo Park because of the taxes paid here. Residents in Belle Haven do not capitalize on opportunities because they cannot relate to the person or people who are running the city. I think there needs to be a person of color who is influential with the community, who is put in charge of OHCC, because that would be the best way to get people involved.

- There is definitely a lack of communication between parents/families and 18-25 year olds. College needs to be talked about way before the end of high school. Otherwise, when these kids get to junior college and find that it is difficult, or that it will take them a longer time than usual to complete, they think they are not smart enough or do not have the necessary skills, and they turn to the streets as an easier alternative. It's a vicious cycle. The Boys and Girls Club only

ATTACHMENT B

serves kids up to 18 or 19 years old—after that they have nowhere to go, which is another reason that we need programs to capture this age bracket.

There is nothing for people to live for in this community, other than their families. There have been some very tense times here. I try to prepare kids to get out of a bad situation by teaching them that things may not change and if so, they need to be ready to make a change for themselves. If you look at the current economy, you can probably tell that things are not likely to improve anytime soon. Safety is also important. I was never worried or endangered in Belle Haven, but East Palo Alto is a different story. A lot of kids who are offered opportunities at universities around the country won't leave because they want to stay and help their parents. This is fine, but those that stay need to be educated to break the cycle, whatever cycle it is that they are trapped in. At the Boys and Girls Club, we have a system where kids have to attend a class three times a week, and if they do that, they are qualified to go on a field trip at the end of the week. It worked great. The city needs to find time to be resourceful. Not many employees in Belle Haven are also residents—this is something that could be changed. Kids who attend high school on the west side are subjected every day to the blatant differences between the west side and Belle Haven and that doesn't make them feel any better when they go home.

- Let public know the process and feedback so they know what's going on. Keep passed, something is being done.



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: September 18, 2012
Staff Report #: 12-140

Agenda Item #: F-2

REGULAR ITEM: Adopt a Resolution Approving the Revised Investment Policy for the City and the Community Development Agency of Menlo Park, to Become Effective Immediately

RECOMMENDATION

Staff recommends the City Council adopt a resolution approving the revised investment policy for the City and the Community Development Agency of Menlo Park, to become effective immediately.

BACKGROUND

The investment of funds by a California local agency, including the types of securities in which an agency may invest, is governed by the California Government Code. The law requires that the legislative body of each agency adopt an investment policy, which may add further limitations than established by the State. In addition, an agency's investment policy must be reviewed annually, and any changes must be adopted at a public meeting. The City of Menlo Park has had such a policy in place since 1990. The Investment Policy was last reviewed and updated by the City Council on September 27, 2011.

Annual adoption of the City's Investment Policy provides an opportunity to regularly review the policy and ensure its consistency with the overall objectives of safety, liquidity and yield and its relevance to current law and economic trends. Early in each fiscal year, the City's investment advisor (Cutwater Asset Management) reviews the policy to ensure it is kept up to date and in compliance with applicable State statutes. In addition, beginning with the formation of the City's Finance and Audit Committee, a review of the policy has been placed on the committee's first meeting of the new fiscal year.

Review and revision of the City's Investment Policy is particularly appropriate during times of market volatility. In the past few years, a massive reshaping of the financial and credit markets has had a major impact on the investment environment, especially in regards to how risk is assessed to the various types of investment vehicles and amongst the numerous issuers. Portfolio diversification is employed as a way to control risk. In 2009-10 Investment Policy was modified to establish or refine percentage

limitations to avoid an over-concentration in securities from a specific issuer or business sector, excluding U.S. Treasury securities. In addition, changes were made to the “Selection of Banks and Savings Banks” and “Safekeeping and Custody” sections of the policy, due to the uncertain and fluctuating nature of bank ratings data. In 2010-11, Municipal Bonds were added as allowable investments in the City’s portfolio (if certain criteria were met), in an attempt to provide additional diversification in a market of dwindling returns. Last year, changes in the policy reflected the downgrading of United States’ Treasury debt from “AAA” to “AA+” and subsequent downgrading of government agency debt. Although significant, these changes did not warrant major changes in the City’s investment strategy, which is driven largely by current market conditions and the yield curve.

The annual review is also a good time to clarify certain terms, remove ambiguity in the policy language and better reflect changes in current market trading technologies.

ANALYSIS

Whereas interest rates remain low on the type of safe investment vehicles allowed in the City’s portfolio, the market has stabilized somewhat from the volatility of years past. Changes to the Investment Policy recommended at this time consist largely of clarification of technical terms, and minor changes to the diversification limits of the various types of eligible securities. Recommended revisions to the policy, last approved on September 27, 2011, are evident in the red-lined version of the policy shown in Attachment A.

In describing the types of investment vehicles eligible for inclusion in the City’s portfolio (Authorized Securities and Transactions, page 3), the descriptions of Federal Agency securities and Federal Instrumentality securities have been clarified. The added language explains more explicitly what investments are allowed under each category, and differentiates between the two. No expansion in the authorized investments is being recommended. For example, investments in mortgage backed securities issued by federal agency and government sponsored enterprises have always been allowed under the City’s policy. The new language also provides consistency between the investment categories defined in the policy with those used in the investment reports generated monthly by Cutwater and submitted to Council with each Quarterly Investment Report.

In the description of Medium Term Notes, mention of FDIC-guaranteed corporate bonds has been eliminated. The FDIC-guaranteed corporate bond program is currently winding down and is scheduled to terminate at the end of the calendar year. The City did hold some of these instruments in 2010, but they have all matured. Given that this language will be irrelevant in a few months, we recommend it be deleted from the policy.

On page 5, the description of the collateral required for Repurchase Agreements has been clarified to be consistent with the types of U.S. Treasury, Federal Agency and

Federal Instrumentality investments allowed within the City's policy. Also, language in regards to the rating of counterparties has been removed. These ratings fluctuate daily and changes are therefore difficult to respond to. The 102 percent collateral required for eligible repurchase agreements is adequate to secure any investment the City may make in this category.

After delineating the various categories of allowable securities (at the bottom of page 5 of the redlined policy) language has been added to describe the appropriate response to a credit downgrade of a security held by the City. As the City's investment advisor, Cutwater immediately notifies the City of any downgrade of any security in the City's portfolio, so that a strategy can be developed to bring the portfolio back into compliance with the investment policy. This language confirms current practice.

The section of the policy dealing with investment diversification now notes that mortgage-backed securities should not exceed 20 percent of the total portfolio, even though they are allowable investments and classified as Federal Agency and Federal Instrumentality securities, previously discussed. This is the same maximum as allowed in the California Code for mortgage-backed securities. (It should be noted that the California Code allows public agencies to invest up to 100 percent of their portfolio in federal agency obligations; however, it does not specify under which concentration restrictions federal agency mortgage backed securities should be considered.) Credit risk is considered minimal for mortgages backed by federal agencies or government sponsored enterprises.

Finally, an increase in the aggregate amount of medium-term (corporate) notes allowed in the portfolio from 10 percent to 30 percent is recommended for further diversification of the portfolio and yield enhancement. Thirty percent is the percentage allowed by State Code. The credit analysis function needed to manage these privately issued securities is available through Cutwater, which maintains a dedicated research group in New York and will ensure suitability of any corporate notes prior to recommending them to the City for purchase.

IMPACT ON CITY RESOURCES

Adoption of the City's Investment Policy with the recommended changes would not result in any impact on City resources.

POLICY ISSUES

The Investment Policy provides guidelines for investing City and Agency funds in accordance with State of California Government Code Section 53601 et seq. Annual adoption of the policy enables periodic review and revision of the policy. The proposed action is to adopt a revised Investment Policy. The proposed revisions are reflected in the red-lined policy attached; as discussed in this report the changes are consistent with existing policy.

ENVIRONMENTAL REVIEW

Environmental review is not required.

Signature on file
Carol Augustine, Finance Director

PUBLIC NOTICE: Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS:

- A. Current Investment Policy with revisions
- B. Resolution
 - Exhibit A – Proposed Investment Policy

City of Menlo Park Investment Policy

The City of Menlo Park (the “City”), incorporated in 1927, is located between San Francisco and Oakland on the North, and San Jose on the South. The City is governed by a City Council (the “Council”) of five members elected at-large.

The Council has adopted this Investment Policy (the “Policy”) in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the unexpended funds of the City. All such investments will be made in accordance with the Policy and with applicable sections of the California Government Code.

This Policy was endorsed and adopted by the City Council of the City of Menlo Park on _____, [20112012](#). It replaces any previous investment policy or investment procedures of the City.

SCOPE

The provisions of this Policy shall apply to all financial assets of the City and the Community Development Agency of Menlo Park as accounted for in the City’s Comprehensive Annual Financial Report, with the exception of bond proceeds, which shall be governed by the provisions of the related bond indentures or resolutions.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance in the investment portfolio. Investment income shall be distributed to the individual funds on a monthly basis.

OBJECTIVES

The City’s funds shall be invested in accordance with all applicable municipal codes and resolutions, California statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.
4. Diversification to avoid incurring unreasonable market risks.

DELEGATION OF AUTHORITY

The management responsibility for the City's investment program is delegated annually by the Council to the Chief Financial Officer (the "CFO") pursuant to California Government Code Section 53607. The City's Director of Finance serves as the CFO. In the absence of the CFO, the Financial Services Manager is authorized to conduct investment transactions. The CFO may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The CFO shall maintain a list of persons authorized to transact securities business for the City. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The CFO shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The City may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The CFO and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Council and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any business interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City. In addition, the City Manager, the Assistant City Manager and the Finance Director shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that, pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds.

Any revisions or extensions of these code sections will be assumed to be part of this Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Policy or past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. In such instances, after consultation with the City's attorney, the CFO will present a recommended course of action to the Council for approval.

The City has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency debentures ~~and~~, federal agency mortgage-backed securities, and mortgage-backed securities issued by the Government National Mortgage Association (GNMA) with a final maturity not exceeding five years from the date of trade settlement.
3. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable ~~and securities~~, step-up securities, and mortgage-backed securities issued by Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC) with a final maturity not exceeding five years from the date of trade settlement. Subordinated debt may not be purchased.

4. Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall have a final maturity not exceeding five years from the date of trade settlement and shall be rated at least AA or the equivalent by a NRSRO, at the time of purchase. The aggregate investment in medium-term notes shall not exceed ~~40~~30% of the City's total portfolio. ~~In addition, FDIC-guaranteed corporate bonds are herein authorized, with the aforementioned diversification and maturity requirements.~~
5. Negotiable Certificates of Deposit with a maturity not exceeding five years from the date of trade settlement, in state or nationally chartered banks or savings banks that are insured by the FDIC, subject to the limitations of California Government Code Section 53638. Certificates of Deposits may be purchased only from financial institutions that meet the credit criteria set forth in the section of this Investment Policy, "Selection of Banks and Savings Banks." Depending on their maturity, Negotiable Certificates of Deposit shall have a short-term rating of at least A-1+ or the equivalent by a NRSRO at the time of purchase.
6. Non-negotiable Certificates of Deposit and savings deposits with a maturity not exceeding five years from the date of trade settlement, in FDIC insured state or nationally chartered banks or savings banks that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. Deposits exceeding the FDIC insured amount shall be secured pursuant to California Government Code Section 53652.
7. Municipal Bonds with a final maturity not exceeding five years from the date of trade settlement. Such bonds include registered treasury notes or bonds of any of the 50 United States and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the states. Such obligations must be rated at least AA, or the equivalent, by a NRSRO at the time of purchase.
8. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500 million, and (3) have debt other than commercial paper, if any, that is rated at least A or the equivalent or higher by a NRSRO.
 - B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, over collateralization,

letters of credit or surety bond, and (3) have commercial paper that is rated at least A-1 or the equivalent or higher by a NRSRO.

9. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least A or the equivalent by a NRSRO at the time of purchase.
10. Repurchase Agreements with a final termination date not exceeding 30 days collateralized by [the U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items #1 through #3 above.](#) with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with banks and with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure. ~~Primary Dealers approved as Repurchase Agreement counterparties shall have a short term credit rating of at least A-1 or the equivalent and a long term credit rating of at least A or the equivalent.~~ Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The CFO shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the banks and broker/dealers who have executed same.

11. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.
12. Money Market Funds registered under the Investment Company Act of 1940 which (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in this Policy and (4) have a rating of at least AAA or the equivalent by at least two NRSROs.

[Securities that have been downgraded to a level that is below the minimum ratings described herein may be sold or held at the City's discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.](#)

It is the intent of the City that the foregoing list of authorized securities and transactions be strictly interpreted. Any deviation from this list must be preapproved by resolution of the City Council.

INVESTMENT DIVERSIFICATION

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the City's anticipated cash flow needs.

Securities shall not exceed the following maximum limits as a percentage of the total portfolio:

Type of Security	Maximum Percentage of the Total Portfolio
U.S. Treasury Obligations	100%
Federal Agency Securities†	100%†
Federal Instrumentality Securities†	100%†
Repurchase Agreements	100%
Local Government Investment Pools	100%
Aggregate amount of Certificates of Deposit, Negotiable and Non-Negotiable*	25%
Aggregate amount of Prime Commercial Paper*	25%
Aggregate amount of Municipal Bonds*	20%
Aggregate amount of Eligible Banker's Acceptances*	15%
Aggregate amount of Medium-Term Notes*	<u>10%</u> <u>30%</u>

† No more than 20% of the City's total portfolio shall be invested in GNMA, FNMA, or ~~FHLMC mortgage-backed securities.~~

*No more than 5% of the City's total portfolio shall be invested in any one issuer/financial institution and/or its affiliates.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement unless the Council has, by resolution, granted authority to make such an investment at least three months prior to the date of investment. The sole maturity distribution range shall be from zero to five years from the date of trade settlement.

SELECTION OF BROKER/DEALERS

The CFO shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those authorized firms. To be eligible, a firm must be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a primary dealer within its holding company structure and must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

Each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The CFO shall maintain a list of the broker/dealers that have been approved by the City, along with each firm's most recent broker/dealer Information Request form.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 8 of the Authorized Securities and Transactions section of this Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the CFO will document quotations for comparable or alternative securities.

SELECTION OF BANKS AND SAVINGS BANKS

The CFO shall maintain a list of authorized banks and savings banks that are approved to provide banking services for the City. To be eligible to provide banking services, a financial institution shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and must be a member of the FDIC. The City shall utilize Highline Banking Data Services to perform credit analyses on banks seeking authorization. The analysis shall include a composite rating and individual ratings of liquidity, asset quality, profitability and capital adequacy. Annually, the CFO shall review the most recent credit rating analysis reports performed for each approved bank. Banks that in the judgment of the CFO no longer offer adequate safety to the City shall be removed from the City's list of authorized banks. Banks failing to meet the criteria outlined above, or in the judgment of the CFO no longer offer adequate safety to the City, will be removed from the list. The CFO shall maintain a file of the most recent credit rating analysis reports performed for each approved bank. Credit analysis shall be performed on a semi-annual basis.

SAFEKEEPING AND CUSTODY

The CFO shall select one or more financial institutions to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services. The CFO shall maintain a file of the credit rating analysis reports performed semi-annually for each approved financial institution. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's actual weighted average effective maturity. When comparing the performance of the City's portfolio, its rate of return will be computed net of all fees and expenses.

PORTFOLIO REVIEW AND REPORTING

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization and/or maturity at the time the security is purchased. The City may, from time to time, be invested in a security whose rating is downgraded below the minimum ratings set forth in this Policy. In the event a rating drops below the minimum allowed rating category for that given investment type, the Finance Director shall notify the City Manager and/or Designee and recommend a plan of action. Appropriate documentation of such a review, along with the recommended action and final decision shall be retained for audit.

Quarterly, the CFO shall submit to the Council a report of the investment earnings and performance results of the City's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
5. A statement of the ability to meet expenditure requirements for six months, as well as an explanation of why money will not be available if that is the case.

POLICY REVIEW

This Investment Policy shall be adopted by resolution of the City Council annually. It shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Any amendments to the Policy shall be reviewed by the City's Finance/Audit Committee prior to being forwarded to the City Council for approval.

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK ADOPTING EXHIBIT A AS THE REVISED INVESTMENT POLICY
FOR THE CITY AND COMMUNITY DEVELOPMENT AGENCY TO
BECOME EFFECTIVE IMMEDIATELY**

The City of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause appearing therefore.

BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby adopt Exhibit A as the revised investment policy for the City and Community Development Agency to become effective immediately.

I, Margaret Roberts, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at meeting by said Council on this eighteenth day of September, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this eighteenth day of September, 2012.

Margaret S. Roberts, MMC
City Clerk

City of Menlo Park

Investment Policy

The City of Menlo Park (the “City”), incorporated in 1927, is located between San Francisco and Oakland on the North, and San Jose on the South. The City is governed by a City Council (the “Council”) of five members elected at-large.

The Council has adopted this Investment Policy (the “Policy”) in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the unexpended funds of the City. All such investments will be made in accordance with the Policy and with applicable sections of the California Government Code.

This Policy was endorsed and adopted by the City Council of the City of Menlo Park on _____, 2012. It replaces any previous investment policy or investment procedures of the City.

SCOPE

The provisions of this Policy shall apply to all financial assets of the City and the Community Development Agency of Menlo Park as accounted for in the City’s Comprehensive Annual Financial Report, with the exception of bond proceeds, which shall be governed by the provisions of the related bond indentures or resolutions.

All cash shall be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance in the investment portfolio. Investment income shall be distributed to the individual funds on a monthly basis.

OBJECTIVES

The City’s funds shall be invested in accordance with all applicable municipal codes and resolutions, California statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.
4. Diversification to avoid incurring unreasonable market risks.

DELEGATION OF AUTHORITY

The management responsibility for the City's investment program is delegated annually by the Council to the Chief Financial Officer (the "CFO") pursuant to California Government Code Section 53607. The City's Director of Finance serves as the CFO. In the absence of the CFO, the Financial Services Manager is authorized to conduct investment transactions. The CFO may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The CFO shall maintain a list of persons authorized to transact securities business for the City. No person may engage in an investment transaction except as expressly provided under the terms of this Policy.

The CFO shall develop written administrative procedures and internal controls, consistent with this Policy, for the operation of the City's investment program. Such procedures shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

The City may engage the support services of outside investment advisors in regard to its investment program, so long as it can be clearly demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources.

PRUDENCE

The standard of prudence to be used for managing the City's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that the investment activities of the City are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The CFO and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Council and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any business interests they have in financial institutions that conduct business with the City and they shall subordinate their personal investment transactions to those of the City. In addition, the City Manager, the Assistant City Manager and the Finance Director shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the City shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that, pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds.

Any revisions or extensions of these code sections will be assumed to be part of this Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Policy or past City investment practices, the City may delay adherence to the new requirements when it is deemed in the best interest of the City to do so. In such instances, after consultation with the City's attorney, the CFO will present a recommended course of action to the Council for approval.

The City has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency debentures, federal agency mortgage-backed securities, and mortgage-backed securities issued by the Government National Mortgage Association (GNMA) with a final maturity not exceeding five years from the date of trade settlement.
3. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities issued by Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC) with a final maturity not exceeding five years from the date of trade settlement. Subordinated debt may not be purchased.

4. Medium-Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall have a final maturity not exceeding five years from the date of trade settlement and shall be rated at least AA or the equivalent by a NRSRO, at the time of purchase. The aggregate investment in medium-term notes shall not exceed 30% of the City's total portfolio.
5. Negotiable Certificates of Deposit with a maturity not exceeding five years from the date of trade settlement, in state or nationally chartered banks or savings banks that are insured by the FDIC, subject to the limitations of California Government Code Section 53638. Certificates of Deposits may be purchased only from financial institutions that meet the credit criteria set forth in the section of this Investment Policy, "Selection of Banks and Savings Banks." Depending on their maturity, Negotiable Certificates of Deposit shall have a short-term rating of at least A-1+ or the equivalent by a NRSRO at the time of purchase.
6. Non-negotiable Certificates of Deposit and savings deposits with a maturity not exceeding five years from the date of trade settlement, in FDIC insured state or nationally chartered banks or savings banks that qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5. Deposits exceeding the FDIC insured amount shall be secured pursuant to California Government Code Section 53652.
7. Municipal Bonds with a final maturity not exceeding five years from the date of trade settlement. Such bonds include registered treasury notes or bonds of any of the 50 United States and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the states. Such obligations must be rated at least AA, or the equivalent, by a NRSRO at the time of purchase.
8. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500 million, and (3) have debt other than commercial paper, if any, that is rated at least A or the equivalent or higher by a NRSRO.
 - B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program-wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond, and (3) have commercial paper that is rated at least A-1 or the equivalent or higher by a NRSRO.

9. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least A or the equivalent by a NRSRO at the time of purchase.
10. Repurchase Agreements with a final termination date not exceeding 30 days collateralized by the U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in items #1 through #3 above, with the maturity of the collateral not exceeding five years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in the City's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with banks and with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York, or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute a City approved Master Repurchase Agreement with the City. The CFO shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the banks and broker/dealers who have executed same.

11. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1.
12. Money Market Funds registered under the Investment Company Act of 1940 which (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant daily net asset value per share of \$1.00; (3) invest only in the securities and obligations authorized in this Policy and (4) have a rating of at least AAA or the equivalent by at least two NRSROs.

Securities that have been downgraded to a level that is below the minimum ratings described herein may be sold or held at the City's discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

It is the intent of the City that the foregoing list of authorized securities and transactions be strictly interpreted. Any deviation from this list must be preapproved by resolution of the City Council.

INVESTMENT DIVERSIFICATION

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets, and the City's anticipated cash flow needs.

Securities shall not exceed the following maximum limits as a percentage of the total portfolio:

Type of Security	Maximum Percentage of the Total Portfolio
U.S. Treasury Obligations	100%
Federal Agency Securities†	100%†
Federal Instrumentality Securities†	100%†
Repurchase Agreements	100%
Local Government Investment Pools	100%
Aggregate amount of Certificates of Deposit, Negotiable and Non-Negotiable*	25%
Aggregate amount of Prime Commercial Paper*	25%
Aggregate amount of Money Market Funds*	20%
Aggregate amount of Municipal Bonds	20%
Aggregate amount of Eligible Banker's Acceptances*	15%
Aggregate amount of Medium-Term Notes*	30%

† No more than 20% of the City's total portfolio shall be invested in GNMA, FNMA, or FHLMC mortgage-backed securities.

*No more than 5% of the City's total portfolio shall be invested in any one issuer/financial institution and/or its affiliates.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City will not invest in securities maturing more than five years from the date of trade settlement unless the Council has, by resolution, granted authority to make such an investment at least three months prior to the date of investment. The sole maturity distribution range shall be from zero to five years from the date of trade settlement.

SELECTION OF BROKER/DEALERS

The CFO shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the City to purchase securities only from those authorized firms. To be eligible, a firm must be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a primary dealer within its holding company structure and must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

Each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The CFO shall maintain a list of the broker/dealers that have been approved by the City, along with each firm's most recent broker/dealer Information Request form.

The City may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 8 of the Authorized Securities and Transactions section of this Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the CFO will document quotations for comparable or alternative securities.

SELECTION OF BANKS AND SAVINGS BANKS

The CFO shall maintain a list of authorized banks and savings banks that are approved to provide banking services for the City. To be eligible to provide banking services, a financial institution shall qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and must be a member of the FDIC. The City shall utilize Highline Banking Data Services to perform credit analyses on banks seeking authorization. The analysis shall include a composite rating and individual ratings of liquidity, asset quality, profitability and capital adequacy. Annually, the CFO shall review the most recent credit rating analysis reports performed for each approved bank. Banks that in the judgment of the CFO no longer offer adequate safety to the City shall be removed from the City's list of authorized banks. Banks failing to meet the criteria outlined above, or in the judgment of the CFO no longer offer adequate safety to the City, will be removed from the list. The CFO shall maintain a file of the most recent credit rating analysis reports performed for each approved bank. Credit analysis shall be performed on a semi-annual basis.

SAFEKEEPING AND CUSTODY

The CFO shall select one or more financial institutions to provide safekeeping and custodial services for the City, in accordance with the provisions of Section 53608 of the California Government Code. Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services. The CFO shall maintain a file of the credit rating analysis reports performed semi-annually for each approved financial institution. A Safekeeping Agreement approved by the City shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by book entry and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the City's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's actual weighted average effective maturity. When comparing the performance of the City's portfolio, its rate of return will be computed net of all fees and expenses.

PORTFOLIO REVIEW AND REPORTING

Credit criteria and maximum percentages listed in this section refer to the credit of the issuing organization and/or maturity at the time the security is purchased. The City may, from time to time, be invested in a security whose rating is downgraded below the minimum ratings set forth in this Policy. In the event a rating drops below the minimum allowed rating category for that given investment type, the Finance Director shall notify the City Manager and/or Designee and recommend a plan of action. Appropriate documentation of such a review, along with the recommended action and final decision shall be retained for audit.

Quarterly, the CFO shall submit to the Council a report of the investment earnings and performance results of the City's investment portfolio. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the City;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
5. A statement of the ability to meet expenditure requirements for six months, as well as an explanation of why money will not be available if that is the case.

POLICY REVIEW

This Investment Policy shall be adopted by resolution of the City Council annually. It shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and diversification and its relevance to current law and economic trends. Any amendments to the Policy shall be reviewed by the City's Finance/Audit Committee prior to being forwarded to the City Council for approval.

THIS PAGE INTENTIONALLY LEFT BLANK



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: September 18, 2012
Staff Report #: 12-142

Agenda Item #: F-3

REGULAR BUSINESS: Provide Feedback on the Commonwealth Corporate Center Project Located at 151 Commonwealth Drive and 164 Jefferson Drive and Authorize the City Manager to Approve an Augment to a Contract with Atkins North America, Inc. in the Amount of \$194,457 (for a total contract of \$236,769) and Future Augments as may be Necessary to Complete the Environmental Review for the Project

RECOMMENDATION

Staff recommends that the City Council provide feedback on the Commonwealth Corporate Center Project related to the fiscal implications of the project and whether the Council supports the redevelopment of the subject project site with a use that is consistent with current Floor Area Ratio (FAR) requirements and standard employee densities that would likely result in limited revenue generation to the City, and authorize the City Manager to approve an augment to a contract with Atkins North America, Inc. in the amount of \$194,457 (for a total contract amount of \$236,769) and future augments as may be necessary to complete the environmental review for the Commonwealth Corporate Center Project based on the proposal included as Attachment A.

BACKGROUND

On March 7, 2012, the City received an application from The Sobrato Organization to redevelop the properties located at 151 Commonwealth Drive and 164 Jefferson Drive. Proposed redevelopment of the properties would include demolition of all structures and associated improvements on both sites and subsequent construction of two four-story non-medical office/research and development buildings totaling approximately 259,919 square feet. The proposed height of the buildings would exceed the 35-foot maximum height limit in the M-2 (General Industrial) zoning district, and rezoning to M-2-X (General Industrial, Conditional Development District) plus approval of a Conditional Development Permit (CDP) would be required to exceed the height limit. Select project plan sheets are included as Attachment B. The entitlement process for the Commonwealth Corporate Center Project includes the following review and permit approvals:

- **Rezone from M-2 to M-2-X and Conditional Development Permit:** to permit the structures to exceed the 35-foot building height maximum in the M-2 zone;
- **Heritage Tree Removal Permits:** to permit the removal of heritage trees that are located within the development envelope of the proposed project;
- **Below Market Rate Housing Agreement:** per the requirements of the City's Municipal Code, a Below Market Rate (BMR) Housing Agreement is required, which would help increase the affordable housing supply by requiring the applicant to provide monies for the BMR fund;
- **Lot Merger:** to combine the two legal lots that make up the project site;
- **Fiscal Impact Analysis:** a Fiscal Impact Analysis (FIA) is required to analyze the project's revenue and cost effects on the City and applicable outside agencies; and
- **Environmental Review:** an Environmental Impact Report (EIR) is required to analyze the potential physical environmental impacts resulting from the project.

The City has retained consultants under the City Manager's authority to begin the environmental review process and to prepare a FIA. Staff has determined that an EIR is required to analyze the potential physical environmental impacts of the project. A Notice of Preparation (NOP), included as Attachment C, was prepared and released for public review on August 6, 2012 with comments due by September 5, 2012. An EIR scoping session and a study session were held by the Planning Commission at its meeting on August 20, 2012. The excerpt action agenda from this meeting summarizing the Commission's comments is included as Attachment D. The approved FIA scope is included as Attachment E.

All comments raised by the Planning Commission regarding the scope of the environmental review are addressed in the phase two scope of work prepared by Atkins, North America, Inc., which is included as Attachment A. The study session comments are all items that the applicant should consider as they move forward and refine their project design.

One key policy issue raised by the Planning Commission during the study session relates to the fiscal implications of the project, which is discussed further in the analysis section of this report. A number of Commissioners inquired about a Development Agreement and staff confirmed that the applicant has not applied for a Development Agreement. A Development Agreement is a contract between an applicant and the City that results in the provision of overall benefits to the City and adequate development controls in exchange for vested rights in project approvals. This is not something that the City can require an applicant to apply for, and it is not currently a part of the project proposal. Development Agreements were included in the Menlo Gateway project, which sought an increase to the maximum allowed office Floor Area Ratio (FAR) from 45 percent to 100 percent office with a total FAR of 137.5 percent, and the Facebook East Campus project, which included a doubling of the standard employee density of one employee per every 300 square feet of gross floor area to approximately one employee per every 150 square feet of gross floor area. Over the coming months, the project

design will be refined, including, but not limited to revisions to the site plan to address parking requirements, and a Draft EIR and Draft FIA will be prepared. Although the review of the proposed project is ongoing, the focus of this agenda item is to provide an overview of the project proposal, request feedback on the project proposal and to seek authorization of a proposal for a consultant to complete the environmental review for the project. All previous reports and related items for this project are available on the City maintained project page at the following website address:

http://www.menlopark.org/projects/comdev_commonwealth.htm

ANALYSIS

What follows is a discussion of the project proposal, as well as information about the phase two scope of work for the required environmental review.

Project Proposal

As discussed previously, the project proposal includes redevelopment of the properties located at 151 Commonwealth Drive and 164 Jefferson Drive. The Commonwealth Drive site was previously occupied by Diageo North America and was used as a spirits distilling, bottling, and distribution bottling plant. Facility operations were discontinued on July 29, 2011 and the site has remained unoccupied since that time. The site is approximately 12.1 acres (527,289 square feet) in size and currently developed with a single-story warehouse/manufacturing/office building, a tank farm, storage areas, and associated parking and landscaping areas. The buildings total approximately 217,396 square feet. The Jefferson Drive site is located directly north of the Commonwealth Drive site and is approximately 1.17 acres (51,183 square feet) in size. The site is currently developed with surface parking and a 20,462 square foot warehouse/office building currently utilized for storage and light industrial uses. As part of the proposed redevelopment of the project site, all structures and site improvements would be removed on both the Commonwealth Drive site and the Jefferson Drive site.

Subsequent to the removal of all on-site improvements, the project site would be redeveloped with two four-story non-medical office buildings with surface parking and landscaping. The proposed buildings would consist of approximately 259,919 square feet total (approximately 129,960 square feet each) and would be designed to allow for flexibility of use inclusive of non-medical office, biotech, and/or research and development uses. The proposed land uses are consistent with neighboring development and permissible in the M-2 and M-2-X zoning districts. The proposed buildings would comply with Zoning Ordinance requirements pertinent to setbacks, lot coverage, and FAR for office uses, and employee density is proposed to be consistent with the industry standard of one employee per every 300 square feet of gross floor area. The proposed height of the buildings would exceed the 35-foot maximum height limit in the M-2 district. However, such height increases may be permitted by approval of a CDP and associated rezoning to the M-2-X (General Industrial, Conditional Development District). In the M-2 zone, the construction of a new structure to house a

permitted use requires use permit approval. In this case, the CDP takes the place of the required use permit. Select plan sheets from the project plans received on July 23, 2012 are included as Attachment B.

In addition to the proposed structures, the project site would include Zoning Ordinance compliant parking, a landscaped courtyard, water features, outside dining areas, signage, stormwater treatment areas and an internal pedestrian boulevard. Vehicular access would be provided from both Commonwealth Drive and Jefferson Drive, with Jefferson Drive considered the secondary vehicular and pedestrian access point. The portion of the project site next to Jefferson Drive would also provide an amenity area designed to serve employees and guests, which would include a lawn area, bocce courts, picnic tables, stormwater treatment area and landscaping.

As part of the redevelopment of the project site, the applicant is seeking removal of 23 heritage trees (12 trees on the Commonwealth Drive site and 11 trees on the Jefferson Drive site), which range in health from poor to fair. The removals are being requested due to conflicts with the proposed site improvements, as well as the health of the trees. The City Arborist has reviewed this request and granted preliminary approval to remove all 23 trees requested for removal.

City staff believes that the proposed mix of uses and structures are generally consistent with Zoning Ordinance requirements and neighboring development. As discussed previously, the proposed structures comply with the underlying M-2 Zoning Ordinance requirements related to setbacks, lot coverage, and FAR. The only exception the applicant is seeking from the underlying M-2 Zoning Ordinance requirements is an increase in height above the M-2 maximum height of 35 feet, which is permissible with approval of a CDP and an associated rezoning from M-2 to M-2-X. This increase in height would allow for better site design and improved visibility from Highway 101. As reflected in the action agenda included as Attachment D, the Planning Commission was generally supportive of the proposed site design and building heights.

City staff evaluated the project proposal for conformance with the most recent version of the land use element of the City's General Plan, which was adopted by the City Council in 1994. Since that time, the economic and development climate within the City and throughout the Bay Area region has significantly evolved and changed. This is evident in the changing development patterns, development types and uses present Citywide. To reflect these changes, the City's General Plan will need to be comprehensively updated, which City staff targets commencing after completion of the Housing Element update as is reflected in the City's current 5-Year Capital Improvement Project (CIP) Plan.

The General Plan designation for the subject project site is Limited Industry. The industrial goals and policies contained in the General Plan clearly reflect the fact that when the General Plan was written nearly 20 years ago, the majority of uses on properties with an industrial land use designation were industrial in nature. Since that time, the industrial zone has evolved to include a large breadth of office uses, in

addition to industrial uses such as manufacturing and warehousing. This is evident within proximity of the project site, where numerous office developments currently co-exist with warehouse and manufacturing uses. Applicable industrial goals and policies from the land use element of the General Plan are provided below:

Goal I-F: To promote the retention, development, and expansion of industrial uses which provide significant revenue to the City, are well designed, and have low environmental and traffic impacts.

Policy I-F-2: Establishment and expansion of industrial uses that generate sales and use tax revenues to the City shall be encouraged.

Policy I-F-4: The City shall consider attaching performance standards to projects requiring conditional use permits.

Policy I-F-7: All new industrial development shall be evaluated for its fiscal impact on the City.

Policy I-F-4 relates to the consideration of the use of performance standards for projects requiring use permits (they are no longer referred to as conditional use permits), and in this case, conditional development permits. Appropriate performance standards for this project could be a vehicular trip cap or employee cap. At this time, staff is not recommending inclusion of such a performance standard; however, inclusion of a performance standard may be included as a condition of project approval.

Goal I-F, and policies I-F-2 and I-F-7 are all directly associated with the fiscal implications related to development on properties with an industrial land use designation. As indicated previously, a FIA will be prepared to analyze the project's revenue and cost effects on the City and applicable outside agencies, and an approved scope of work for this FIA is included as Attachment E. The FIA will provide information to help evaluate the project's consistency with these policies, but based upon the current project proposal, staff and the Planning Commission believe that the project may have limited revenue generation opportunities, specific to the generation of sales tax depending on the specific tenant(s) that occupy the buildings. Although the FIA will provide more detailed information necessary to fully evaluate the fiscal implications of the project, if the City Council is concerned about the potential for limited revenue generation by the project, it would be beneficial to raise this concern now, in advance of preparation of the Draft EIR and Draft FIA, both of which are costly investments by the applicant.

Phase Two Environmental Review

Upon receipt of the development application, the City retained the services of Atkins North America, Inc. an environmental consulting firm, to commence work on developing the scope of the environmental review. This work included preparation of a NOP and an associated EIR scoping session. With the consent of the applicant, the City retained

Atkins North America, Inc. due to the firm's experience preparing environmental impact reports, particularly for the Facebook Campus project and the Menlo Gateway project, which are both proximate to the project site. The cost of phase one of the environmental review for the Commonwealth Corporate Center Project was less than \$50,000, and therefore, within the City Manager's authority.

Phase two of the environmental review includes preparation of an EIR. Atkins' proposal is included as Attachment A. The following is a summary of the tasks for the proposed scope of work:

- Preparation of Draft EIR;
- Preparation of responses to all public comment on the Draft EIR;
- Preparation of Final EIR;
- Evaluation of project plans;
- Preparation of Mitigation Monitoring and Reporting Program; and
- Attendance at public hearings and meetings as needed.

The proposed budget for the augment is \$194,457, the cost of which would be borne by the applicant, although the applicant would have no control or direction over the work of the consultant. The applicant is in agreement with the scope and is prepared to pay the contract amount. With this augmentation plus \$42,312 for the initial work, the total cost for preparation of the EIR and associated activities will be \$236,769.

Staff also recommends that the Council provide the City Manager with the authority to approve future augments to the contract, if required. Any future augments would be done only with the consent of the project applicant and at the applicant's cost.

IMPACT ON CITY RESOURCES

The applicant is required to pay planning permit fees, based on the Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The applicant is also required to bear the cost of the associated environmental review and FIA preparation. For the environmental review and FIA, the applicant deposits money with the City and the City pays the consultants.

POLICY ISSUES

The proposed project will ultimately require the Council to consider certain land use entitlements. At this time, policy issues requiring evaluation by the Council are specific to the fiscal implications of the project, and whether the Council supports the redevelopment of the subject project site with a use that is consistent with the current maximum FAR of 45 percent and standard employee densities of one employee per every 300 square feet of gross floor area that would likely result in limited revenue generation to the City.

ENVIRONMENTAL REVIEW

An EIR will be prepared for the project.

Signature on file
Rachel Grossman
Associate Planner

Signature on file
Justin Murphy
Development Services Manager

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting. In addition, the City has prepared a project page for the proposal, which is available at the following address: http://www.menlopark.org/projects/comdev_fb.htm. This page provides up-to-date information about the project, allowing interested parties to stay informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated.

ATTACHMENTS

- A. Atkins North America, Inc. Phase II Proposal for preparation of an Environmental Impact Report for the Commonwealth Corporate Center Project, dated September 6, 2012
- B. Select Plan Sheets, received July 23, 2012
- C. Notice of Preparation of an Environmental Impact Report for the Commonwealth Corporate Center Project, dated August 6, 2012
- D. Excerpt Planning Commission Action Agenda, August 20, 2012 meeting
- E. Bay Area Economics, Approved Scope of Work for a Fiscal Impact Analysis for the Commonwealth Corporate Center Project, dated April 9, 2012



Atkins North America, Inc.
475 Sansome Street, Suite 2000
San Francisco, California 94111-3164

Telephone: +1.415.362.1500
Fax: +1.415.362.1954

www.atkinsglobal.com/northamerica

September 6, 2012

Rachel Grossman
City of Menlo Park
Community Development Department
701 Laurel Street
Menlo Park, CA 94025

Subject: Commonwealth Corporate Center Project
Environmental Impact Report (EIR) Scope of Work - Phase 2

Dear Rachel,

Atkins North America (Atkins) is pleased to present this scope and budget to prepare an EIR under the California Environmental Quality Act (CEQA) for the proposed Commonwealth Corporate Center Project in the City of Menlo Park. This scope of work reflects the proposed project information provided to Atkins by Menlo Park staff, knowledge of the area, a site visit, and prior experience with similar projects within Menlo Park and throughout the State.

This scope, as included in Attachment A, focuses on Phase 2 of the EIR. Phase 1 was submitted by Atkins and executed on June 4, 2012 in order to begin work on the proposed project. Phase 2 includes the bulk of the EIR work and the tasks to be conducted during this phase are summarized in this scope. Phase 2 starts with Task 4, as Tasks 1, 2, and 3 were included in Phase 1. Our total requested budget is included as Attachment B.

The scope of work addresses those tasks, activities, and deliverables that are to be performed by Atkins and DKS Associates (transportation analysis). We will work closely with City staff to coordinate, direct, and review the work and deliverables performed by other consultants contributing to the EIR as appropriate; e.g., Bay Area Economics (fiscal impact analysis). In addition, Atkins will be working with PreVision Design (formerly Adam Phillips Digital) to conduct visual simulations; however, this scope and budget was included in Phase 1.

Please note that our attached budget includes a cost estimate for printing. However, due to the uncertainty regarding the size of the document and the potential volumes, we request that the printing budget be used as only an estimate and that, if the estimated budget is exceeded, additional printing can be done without requiring a formal budget amendment.

We look forward to working with you on this project.

Cordially,

A handwritten signature in blue ink, appearing to read "Erin Efner". The signature is stylized and fluid.

Erin Efner
Senior Project Manager

Attachments: A – Scope of Work; B – Total EIR Budget; C – DKS Scope of Work and Budget; D – Detailed Air Quality and Greenhouse Gas Scope of Work; E – Preliminary Air Quality Screening Analysis



Scope of Work

Phase 2

Task 4. Administrative Draft EIR I (Existing Setting, Significant Impacts, Mitigation Measures)

Purpose: Synthesize background information for use in the existing setting, and evaluate changes to those baseline conditions resulting from adoption of the proposed project. Identify mitigation measures for any changes considered to be significant effects. Prepare Administrative Draft EIR I.

Discussion: For this task, there are four principal activities:

- Determine, by individual resource topic, significance criteria to be used in the analysis
- Perform the analysis and make determinations of impact significance
- Recommend mitigation measures to reduce impacts, if needed

The Atkins team will collect the information necessary to define baseline conditions in the project area. Based on communication with City staff, it is our understanding that the environmental baseline will assume a vacant project site. Based on our understanding of the project vicinity, particular emphasis will be placed on the project's effect on air quality, traffic and circulation, and visual quality. In addition, for a description of existing conditions, Atkins will use information presented in the approved Menlo Gateway Project EIR and the ongoing Menlo Park Facebook Campus EIR.

For each environmental topic, significance thresholds or criteria will be defined in consultation with the City so that it is clear how the EIR classifies an impact. These criteria will be based on CEQA Guidelines, Appendix G; standards used by the City; and Atkins' experience in developing performance standards and planning guidelines to minimize impacts.

As stated by the Project Sponsor, the proposed project could either include office, Research and Development (R&D), or biotech uses. It is recommended that the Draft EIR analyze a conservative scenario for each environmental topic, which may involve assuming different land uses for various environmental topics. For example, office uses can accommodate more employees in the floor plan than R&D; therefore, population-driven topics (such as transportation, air quality, climate change, population and housing, public services, and utilities) will be based on office uses. However, life-science and R&D uses generally require more mechanical equipment on the roof than with office uses, which could result in greater noise impacts. Additionally, the laboratories would use and store chemicals and hazardous materials, which would affect the discussion regarding hazardous material use and disposal. Topics that focus on footprint and site design impacts (e.g., visual quality, hydrology, and geology) would not be impacted by the type of use that would occupy the proposed buildings. As such, depending on the environmental topic, the conservative scenario (office, R&D, or biotech uses) will be analyzed.

The analysis will be based on standard methodologies and techniques, and will focus on the net changes anticipated at the project site. The text will clearly link measures to impacts and indicate their effectiveness (i.e., ability to reduce an impact to a less-than-significant level), identify the responsible agency or party, and distinguish whether measures are proposed as part of the project, are already being implemented (such as existing regulations), or are to be considered. This approach facilitates preparation of the Mitigation Monitoring and Reporting Program (MMRP) that follows certification of an EIR.

The first Administrative Draft EIR will incorporate the baseline conditions data as well as impact analysis and mitigation measures, plus the alternatives and other CEQA considerations described in Task 5 (below). It is envisioned that the City's initial review of the document will consider content, accuracy, validity of assumptions, classification of impacts, feasibility of mitigation measures, and alternatives analyses. Because the impacts and mitigations are subject to revision based on staff review of the Administrative Draft 1, the Summary section will be prepared only for the Screencheck Draft. The following task descriptions summarize the data to be collected, impact assessment methodologies to be used, and types of mitigation measures to consider, by environmental issue.

Impacts Found to be Less Than Significant

To streamline the EIR process, Atkins will “scope out” several environmental topics that do not require detailed discussion in the EIR. These topics will not be evaluated at the level of detail specified for the issues below, but at a level adequate to fully assess the potential effects, and, if necessary, to identify appropriate mitigation measures to reduce any potential impact to a level of non significance. This discussion will be presented in the Impacts Found to be Less Than Significant chapter of the EIR.

Based on our preliminary review, the following environmental topics may be scoped out from detailed analysis in the EIR. It may be determined following the site visit, upon receipt of additional information, or in response to NOP comments that one or more of the following topics should instead be analyzed in detail in the EIR.

- **Agricultural and Forestry Resources.** Atkins will describe existing conditions at the project site, identify General Plan designation and zoning districts, and indicate lack of agricultural and forestry uses at the project site.
- **Biological Resources.** Atkins will conduct the following tasks:
 - Conduct background research to determine the biological resources that could be affected by the proposed project such as special-status species or protected trees. This research will include review of Menlo Park's tree ordinance, the use of the California Department of Fish and Game's Natural Diversity Data Base (CNDDDB), the U.S. Fish and Wildlife Service's Special-Status Species Online Database, and the California Native Plant Society's online inventory. An aerial photograph of the project site will be reviewed to identify areas of habitat types that can later be confirmed through field verification.
 - Conduct a site visit to characterize potential special-status plant and wildlife habitats that may be present, and determine if potential wetlands are present on the sites (included in Task 1). A list of plant and wildlife species observed during the survey will be collected and presented in the analysis. Given the developed nature of the project site, it is not expected that wetlands or special-status species will be present; however a site visit will be required to make this determination. Although no species

specific surveys are proposed for this scope, if any incidental sightings of special-status species occur during the survey, they will be recorded.

- Evaluate the proposed project's effects on the identified biological resources, and recommend mitigation as warranted. Based on prior experience in the region, and the disturbed nature of the site, Atkins anticipates that the prominent issues for the proposed project will be limited to migratory birds, roosting bats (within the abandoned buildings), and protected trees.
- **Land Use.** Land use and planning generally considers the compatibility of a proposed project with neighboring areas, change to, or displacement of existing uses, compliance with zoning regulations, and consistency of a proposed project with relevant local land use policies that have been adopted with the intent to mitigate or avoid an environmental effect. With respect to land use conflicts or compatibility issues, the magnitude of these impacts depends on how a proposed project affects the existing development pattern, development intensity, traffic circulation, noise, and visual setting in the immediately surrounding area, which are generally discussed in the respective sections. The project would require a Conditional Development Permit and zoning amendment to allow for an increase in height but is otherwise consistent with land use designations.

Atkins will conduct the following tasks and, where appropriate, will rely on previously prepared EIRs for the City of Menlo Park for both content and impact methodology:

- Describe existing land uses, intensities, and patterns in the vicinity of the project site and the compatibility of the proposed land uses and zoning with current development.
- Describe the proposed project's potential to divide an established community.
- Evaluate any potential conflicts between the proposed and current land uses that would result in environmental impacts. These conflicts could include a use that would create a nuisance for adjacent properties or result in incompatibility with surrounding land uses, such as differences in the physical scale of development, noise levels, traffic levels, or hours of operation.
- Evaluate the extent to which adopted City development standards or proposed design standards would eliminate or minimize potential conflicts within the proposed project site, resulting in environmental impacts. The Menlo Park General Plan, Zoning Ordinance and other applicable plans will be examined and the proposed project's consistency with applicable portions of these plans will be described.
- **Mineral Resources.** Atkins will describe existing conditions at the project site and identify the mineral resources zone classification for soils at the site. It is anticipated that the site does not contain significant mineral resources.

Aesthetics

Data needs to complete section include landscape plans, lighting plans, and building architectural styles and exterior finishings. Atkins will prepare the Aesthetics section of the EIR based on the visual simulations prepared by Adam Phillips Digital (scope and budget included in Phase 1) and will also conduct the following tasks:

- Visit the project site and surroundings, to identify and photodocument existing visual character and quality conditions, views to and from the project site, and other urban design features.
- Coordinate with City staff in selecting viewpoints from which Adam Phillips Digital will prepare visual simulations.

- Based on scenic resources and views identified in the Menlo Park General Plan (see below) and visual simulations, analyze potential adverse aesthetic effects resulting from the proposed project. The surrounding sensitive viewer locations that could be affected by the proposed development include Joseph P. Kelly Park.
- Review existing General Plan goals and policies related to visual quality to determine conflicts with any relevant plans and policies.
- Using the visual simulations and field observations, analyze whether the proposed project would substantially degrade the existing visual character or quality of the project area and its surroundings due to grading, height, bulk, massing, architectural style, and building materials, and other site alterations.
- Analyze potential degradation of views from roadways, US 101, adjacent uses, and other sensitive viewer locations.
- Analyze lighting and glare impacts created by the proposed buildings, focusing on motorists on US 101.

Shadows from the proposed buildings would increase over existing conditions due to the increase in building height. Shadows could reach sensitive surrounding uses, including Joseph P. Kelly Park. If, based on further discussions with the City and Project Sponsor as well as a thorough site reconnaissance, it is determined that shadow impacts should be evaluated in the EIR, Atkins can prepare shadow diagrams.

Transportation/Traffic

Due to the level of technical detail in the transportation scope, the full text has been included as Attachment B. In summary, DKS has identified 29 study intersections and 12 roadway segments that will be considered in the analysis. Due to comments received during the NOP scoping period, DKS has added additional study intersections and roadway segments to their analysis and will conduct a Transportation Impact Analysis. The original tasks were previously included in Phase 1 of the scope. Although Phase 1 has been revised due to NOP comments (as included in Attachment B), all costs for the additional tasks performed by DKS have been included in the Phase 2 budget (Attachment A).

DKS will also prepare the analysis in the format of a chapter to the EIR. All technical data will be appended to the EIR. The analysis will be prepared consistent with the City of Menlo Park and San Mateo County Congestion Management Program (CMP) requirements.

Air Quality

Due to the level of technical detail required to articulate the Air Quality scope, it is provided as Attachment C. The following presents a summary of the tasks to be performed. This section will analyze construction-related and operational criteria pollutants using the 2011 Bay Area Air Quality Management District (BAAQMD) CEQA Guidelines, in consultation with the City. In addition, Atkins will evaluate the potential for adverse health effects associated with toxic air contaminant (TAC) exposures to residential and school site receptors in the vicinity of the project site. A screening level analysis, as included in Attachment D of this document, was performed to identify all existing sources and potential receptors within 1,000 feet of the proposed project boundaries. Attachment D also details the required level of analysis in accordance with the 2011 BAAQMD Guidelines.

Greenhouse Gas Emissions

Please refer to Attachment C of for a detailed description of the Greenhouse Gas Emissions analysis. The climate change analysis will discuss the potential impacts on the study areas from climate change as well as the projects anticipated emissions of greenhouse gases. This section will examine potential impacts to the study area, construction-related emissions and operational emissions.

Noise

Primary noise sources in the project vicinity include local and regional roadway traffic. Noise-sensitive receptors in the project vicinity include recreational uses at Joseph P. Kelly Park and residential uses in the Belle Haven neighborhood to the southeast. Atkins will complete the following tasks:

- Summarize the existing noise environment for the project area and related environmental noise impacts. The analysis will provide existing conditions information and relevant background information, including noise fundamentals, descriptors, and applicable federal, state, and City of Menlo Park General Plan Noise Element. Federal Transit Administration (FTA) standards do not apply to this project and will not be discussed, nor will the project be evaluated using FTA noise criteria.
- Existing noise conditions will be quantified through ambient noise measurements consisting of a maximum of two site visits and the measurement of on-site and off-site ambient noise levels (up to four short-term [i.e., 15-minute] with vehicle counts and one long-term [i.e., 24-hour]). All monitoring locations will be approved by the City.
- Based on comments received from the Menlo Park Planning Commission during the NOP scoping session on August 20, 2012, Atkins will conduct additional noise measurements in the residential neighborhood to the south of US 101 and the project site. Atkins will analyze the impact of the proposed new buildings and if they would create bounce-back noise from the traffic on US 101 to the residential neighborhood. An analysis of noise reflection will be included.
- Assess the potential short-term, construction-related exterior and interior noise impacts (e.g., on-site heavy-duty equipment) with respect to nearby noise-sensitive receivers. Project-generated noise levels at these receivers will be quantified using the reference noise measurement data along with standard noise modeling practices (e.g., combined construction noise level, acceptable assumptions regarding exterior-to-interior noise reduction due to building façade).
- Quantify potential transportation noise source increases (e.g., increased traffic Jefferson Drive) generated by the proposed project. Traffic noise modeling will be based on average daily traffic (ADT) volumes obtained from the transportation impact study that will be prepared for this project.¹ A Federal Highway Administration-approved traffic noise prediction model (e.g., RD-77-108) will be used to determine roadway traffic noise levels with adjustments to account for California Vehicle Noise Emission (CALVENO) factors for standard automobiles, medium trucks, and heavy trucks. Traffic noise levels will be quantified for affected roadway segments under existing, existing-plus-project, cumulative, and cumulative-plus-project scenarios. The EIR will determine if modeled increases to roadway noise levels would considerably affect existing noise-sensitive land

¹ ADT may instead be generated using the CalEEMod model that will be used for the Air Quality analysis.

uses. Modeled cumulative-plus-project traffic noise levels will be used to determine future interior and exterior noise levels on the project site.

- Assess stationary noise sources (e.g., HVAC, parking) associated with implementation of the proposed project. Long-term impacts will be determined from existing documentation, standard attenuation rates and modeling techniques. Impacts will be determined at adjacent noise-sensitive receivers and compared to applicable noise regulations.
- Assess land use compatibility in terms of exterior noise levels with existing and future predicted noise environments (e.g., transportation and stationary) based on applicable regulations and local agency guidance. Stationary sources of noise that currently exist in the project area will be discussed based on site visit observations, aerial photographs, and existing documentation. Atkins will discuss the types of existing stationary noise sources that are present. Stationary sources that dominate the project area noise environment will be measured and levels associated with such sources will be included in the EIR.
- Include a discussion of the potential exposure of sensitive receivers to excessive groundborne vibration attributable to project implementation (e.g., use of heavy-duty construction equipment). This discussion will include a description of existing vibration sensitive receivers (sensitive land uses, and structures). Atkins will conduct a reconnaissance level survey of surrounding land uses, sensitive receivers, and historical/architectural structures considered to be potentially sensitive to groundborne vibration levels. Typical short-term and long-term groundborne vibration levels will be predicted based on documented source-specific vibration levels and standard modeling procedures as recommended by federal and state agency guidance. In addition, based on comments received from Exponent during the NOP scoping period, Atkins will evaluate vibration impacts on this specific sensitive receptor. A list of sensitive equipment used by Exponent may be required.
- Evaluate noise and vibration impacts based on compliance or exceedance of applicable regulations and guidance provided by local, state, and federal agencies. Additionally, the EIR will assess noise and vibration significance based on the generation or exposure to substantial permanent or temporary increases in ambient levels. Mitigation measures and their relative effectiveness will be provided for noise and vibration impacts that are found to be significant.

Cultural Resources

The existing buildings on the site were originally constructed in 1956. Based on a preliminary site reconnaissance, we do not anticipate these structures to be considered historic. However, due to their age, it is important that a historian visit the site, conduct background research, and make a determination as to eligibility. Due to the disturbed nature of the site, impacts to archaeological or paleontological resources are not anticipated. Atkins will conduct the following tasks:

- Conduct records search of the Northwest Information Center (NWIC) to identify any previously recorded cultural resources and cultural resource investigations within 0.25 miles of the project site.
- Conduct records search of the Native American Heritage Commission (NAHC) sacred lands database to determine if any Native American cultural resources are present in the vicinity of the project site. Local Native American organizations and individuals identified by NAHC will also be contracted regarding information on potential Native American

resources in the project vicinity. The EIR will summarize any responses related to this effort. We assume that no issues will arise.

- Site visit by architectural historian to evaluate existing structures (included under Task 1, Phase 1).
- Conduct archival research on history of site.
- Prepare brief memo summarizing the historical determination of significance in accordance with the CEQA Guidelines.
- Standard mitigation measures for archaeological or paleontological resources will be identified.

Geology/Soils

Atkins will prepare the Geology/Soils section of the EIR and will conduct the following tasks:

- Review the Geotechnical Report to be provided by the Project Sponsor.
- Report the type and magnitude of seismic activity typical in the San Francisco Bay Area, the standards to be met by proposed structures to resist damage during seismic events, and design features to be incorporated in the proposed project to comply with those standards.
- Evaluate the geohazard risks from development at the project site, using available geologic and/or soils maps, published literature, and other information, reports, and/or plans. The main issue that will be analyzed is the seismic and geotechnical safety of the proposed buildings.
- Assess potential project geohazard impacts in light of existing regulations and policies that would serve to minimize potential impacts. Pertinent regulatory requirements will be explicitly identified so that the nexus between regulations and minimized impacts is apparent. In general, construction of development similar to the proposed project has little or no effect on the geology of an area, but is still subject to seismic groundshaking and local soil conditions, including ground oscillation and long-term and differential settlement. Standard design and construction techniques and compliance with City standards (including applicable portions of the California Building Code and the National Pollutant Discharge Elimination System [NPDES]) typically eliminate or minimize seismic and geotechnical hazards.

Hydrology/Water Quality

Atkins will prepare the Hydrology/Water Quality section of the EIR and will conduct the following tasks:

- Describe the existing regulatory environment, including, but not limited to, the Construction General Permit, Municipal Regional Permit for stormwater discharges (including how the project relates to C.3 requirements), the City of Menlo Park Municipal Code, and the California Building Code. These regulations require specific measures for reducing potential impacts on hydrology and water quality as well as from flooding.
- Assess potential project hydrology and water quality impacts in light of existing regulations and policies that would serve to minimize potential impacts. Pertinent regulatory requirements will be explicitly identified so that the nexus between regulations and minimized impacts is apparent.
- Identify mitigation measures, where feasible, to minimize potentially significant or significant proposed project impacts.

Hazards and Hazardous Materials

Based on technical information received for the project site, Atkins will prepare the Hazards and Hazardous Materials section of the EIR. According to the Phase I Environmental Site Assessment (ESA) prepared for the project, the project site is listed on several databases including: RCRA-SQG, HAZET, Historical UST, LUST, National Pollutant Discharge Elimination System (NPDES), California Hazardous Material Incident Reporting System (CHMIRS), Waste Discharge System (WDS), Emission Inventory System (EMI), ERNS, and San Mateo County Business Inventory (BI). Based on information provided in the Phase I ESA, Atkins will conduct the following tasks:

- Identify potential exposure to hazardous materials or waste during construction activities and during long-term operation at the project site.
- Describe applicable federal, State, and local regulations and how these regulations apply to the proposed project and reduce the potential for impact.
- Evaluate potential public health risks at the site from groundwater and soil contamination from prior land uses. In addition, the analysis will focus on any potentially poor hazardous materials “housekeeping” practices at the site or from nearby uses. This information will be augmented by previously prepared Phase I ESA.
- Include a discussion of the potential hazardous materials that could be used during the operation of the proposed project and any potential releases of these materials, focusing on the conservative scenario of R&D or life science uses.
- Include a discussion of the potential public health risk from exposure to hazardous building components in the structures to be demolished at the project site (e.g., asbestos, PCBs, etc.).

Population/Housing

This section will examine the project’s effect on population and housing in the City and, to a lesser extent, in the region. Since the project involves neither residential development nor displacement of housing, the project’s effects are indirect and will focus on the housing needed to accommodate the increased employment that would result from the project. Atkins will undertake the following tasks:

- Discuss qualitatively the indirect housing effect resulting from the project and in the context of Association of Bay Area Governments (ABAG) regional household forecasts and fair share housing allocations and discuss whether the City can accommodate the demand.
- Estimate the indirect employment growth in the region from the “multiplier effect” due to increased employment, using ABAG’s regional input-output factors.

Public Services

Based on information received from various service providers, Atkins will prepare the Public Services section of the EIR and will conduct the following tasks:

- As necessary, conduct phone/email interviews with the City’s police, fire, and park and recreation departments, the school district, and the library to determine current service levels and capacity to serve increased demand.

- Estimate project-generated demand for public services based on existing operational standards obtained from the service providers. Other measures of demand will also be considered, such as the projected increase in the calls for service and the projected demand of recreational facilities and library services.
- In accordance with CEQA, evaluate the extent to which project demands would trigger the need for new public facilities whose construction might result in physical environmental effects.

Utilities/Service Systems

The Utilities/Services Systems section of the EIR will examine the proposed project's effect on water supply, wastewater treatment, solid waste disposal, and energy generation and transmission. Atkins will describe the existing conditions (capacity and current consumption levels), the impacts (the effects of the demand calculations against infrastructure capacity), and work with the City and the utility providers to identify reasonable mitigation measures. This scope of work assumes that the Project Sponsor will provide the water demand calculations, wastewater generation estimates, and energy calculations. If these are not readily available, Atkins can assist with these calculations. As part of its Greenhouse Gas emissions, Atkins will estimate solid waste generation resulting from construction and operation of the project. Our scope of work assumes that a Water Supply Assessment (WSA) will not be prepared.

Based on technical information for the project site and information received from the utility providers, Atkins will prepare the Utilities/Service Systems section of the EIR and will conduct the following tasks:

- Describe existing utility providers, system capacity, and improvement plans.
- Peer review the utility demand calculations by Project Sponsor (if appropriate).
- Evaluate the net change in the demand for water, wastewater, solid waste, and energy, relative to existing and planned capacity for the utilities.
- Discuss whether implications of the project triggering the expansion or construction of new infrastructure or facilities.

Deliverables:

- Five hard copies of Administrative Draft 1
- One electronic copy of Administrative Draft 1 in MS Word
- One electronic copy of Administrative Draft 1 in Adobe PDF format

City Involvement: Review and comment on the document.

Task 5. Project Alternatives and Other CEQA Considerations

Purpose: To complete drafts of the remaining sections (Alternatives and Other CEQA Considerations) of the EIR for City staff review.

Discussion: This task involves preparation of other required sections examining particular aspects of the project's effects and the identification and comparison of project alternatives.

Other CEQA Considerations

This task involves documenting unavoidable adverse impacts, growth-inducing effects, and cumulative effects of the revised project:

- The unavoidable effects will be summarized from the analyses performed in Task 4.
- Growth-inducing effects will be based on economic multipliers for the proposed uses (these multipliers provide information on direct and induced growth and were developed by the Association of Bay Area Governments for the regional input-output model), as well as comparisons with ABAG 2009 projections for the City. Growth inducement will be discussed in the context of population increases, utility and public services demands, infrastructure, and land use.
- Cumulative effects where relevant will be addressed in Task 4 and summarized as part of this section of the EIR. The future projects in the vicinity of the proposed project would be considered as they relate to potential cumulative impacts.

Alternatives

The alternatives to the proposed project must serve to substantially reduce impacts identified for the proposed project while feasibly attaining most of the project objectives. Atkins assumes that one reduced project alternative will be quantitatively analyzed and will be based on a sensitivity analysis to reduce identified impacts. Up to two additional alternatives will be defined and evaluated qualitatively.

Deliverables:

- Other CEQA Considerations chapter to be submitted with Administrative Draft 1
- Alternatives chapter to be submitted with Administrative Draft 1

City Involvement: Participate in discussions to review and augment project alternatives.

Task 6. Screencheck Draft

Purpose: Prepare Screencheck Draft for City staff review.

Discussion: Atkins will prepare a Screencheck Draft EIR to respond to the City's and Project Sponsor's comments on Administrative Draft 1. The Screencheck Draft EIR will include a summary section, which will summarize the project description, impacts and mitigations, and alternatives. Impacts and mitigations will be presented in a table that identifies each impact, its significance, and proposed mitigation as well as the level of significance following adoption for the mitigation measures.

Deliverables:

- Five hard copies of Screencheck Draft
- One electronic copy of Screencheck Draft in MS Word
- One electronic copy of Screencheck Draft in PDF format

City Involvement: Review and comment on the documents.

Task 7. Draft EIR

Purpose: To prepare and submit the Draft EIR to the City for distribution to the public.

Discussion: Atkins will revise the Screencheck Draft to incorporate modifications identified by the City and Project Sponsor. The revised document will be a Draft EIR, fully in compliance with State CEQA Guidelines and City guidelines, and will be circulated among the public agencies and the general public as well as specific individuals, organizations, and agencies expressing an

interest in receiving the document. During this task, Atkins will also compile the appendices that will be distributed with the Draft EIR and produce a version of the full document that can be uploaded onto the City's website. Atkins will also prepare a Notice of Completion (NOC) to accompany the copies that must be sent to the State Clearinghouse. This scope of work and budget assumes that Atkins will send the required documents to the State Clearinghouse and that the City will distribute the Draft EIRs to all other recipients.

Deliverables:

- Thirty five hard copies of the Draft EIR
- Two unbound hard copies of the Draft EIR
- One electronic copy of the Draft EIR in MS Word
- One electronic copy of the Draft EIR in PDF format
- Notice of Completion
- Fifteen electronic copies of the Draft EIR to the State Clearinghouse

City Involvement: Review the Notice of Completion and, outside of the State Clearinghouse, handle noticing and distribution of the Draft EIRs.

Task 8. Public Review and Hearing

Purpose: To participate in a public hearing providing an opportunity for interested community members and agencies to review and comment on the Draft EIR.

Discussion: The City will provide for a 45-day period during which the public will have an opportunity to review, digest, and comment on the Draft EIR. During the 45-day review period, the City will hold a public hearing to receive comments on the Draft EIR. Atkins key team members will attend and participate as requested. Preparation of meeting materials such as PowerPoint presentations and additional handouts will be billed on a time and materials basis.

City Involvement: Distribute documents, accept comments, and hold public meeting.

Task 9. Draft Responses to Comments

Purpose: To prepare responses to the comments received on the Draft EIR, and incorporate these responses into an Administrative Final EIR for City review.

Discussion: All substantive comments for each written and oral comment will be reviewed, bracketed, and coded for a response. Prior to preparing responses, Atkins will meet with staff to review the comments and suggest strategies for preparing responses. This step is desirable to ensure that all substantive comments are being addressed and that the appropriate level of response will be prepared. This scope of work and budget assumes Atkins will prepare responses for up to 100 substantive discrete, non-repeating comments (comments on project merits or repetitive comments are not considered discrete comments) and will coordinate integrating the responses prepared by other consultants. However, the number and content of public comments is unknown at this time. Therefore, following the close of the Draft EIR public review period and receipt of all public comments, Atkins will meet with the City to revisit the budget associated with this effort to determine if additional hours are needed.

Frequently raised comments of a substantive nature may be responded to in a Master Response, which allows for a comprehensive response to be presented upfront for all interested

commentors. Atkins will identify and recommend possible Master Responses for City consideration during the initial meeting to discuss strategies for preparing responses.

Following the strategy session, Atkins will prepare Master Responses (as appropriate) and individual responses to the bracketed and coded comments. Individual responses to each comment letter will be placed immediately after the comment letter. As necessary, responses may indicate text revisions, in addition to clarifications and explanations. All text changes stemming from the responses to the comments, as well as those suggested by City staff, will be compiled into a section of the Responses to Comments document.

Following City's review of the Draft Response to Comments document, Atkins will address all comments received and prepare a Screencheck Response to Comments document. The City will review the Screencheck Response to Comments document to ensure that all comments on the Draft were adequately addressed. The product of this task will be a Responses to Comments document that:

- Lists the commentors
- Presents responses to substantive comments
- Revises the Draft EIR as necessary in response to comments
- Reproduces the comment letters and transcripts/minutes of the public hearing.

Deliverable:

- Five copies of the Draft Responses to Comments document in Word format.
- Five copies of the Screencheck Responses to Comments document in Word format

City Involvement: Review and comment on draft responses; assist with response to comments on process, procedures, and City policy. Participate in strategy session to provide guidance on the responses to comments.

Task 10. Final EIR

Purpose: To prepare a Final Responses to Comments document for City Council certification.

Discussion: Based on comments received from City staff, the Screencheck Responses to Comments will be revised and appropriate revisions to the Draft EIR will be noted. The Final EIR will then consist of the Draft EIR and the Responses to Comments document. Revisions to the Draft EIR will be presented as a separate chapter in the Final EIR. The revised Responses to Comments document will be submitted to the City for discussion by the Planning Commission and subsequent certification by the City Council.

Deliverables:

- Twenty hard copies of the Final EIR
- One electronic copy of the Final EIR in MS Word
- One electronic copy of the Final EIR in PDF format

Task 11. Certification Hearings and MMRP

Purpose: Attend meetings to certify the EIR.

Discussion: Team members will attend and participate in up to three meetings to certify the EIR. If requested by City staff, Atkins will present the conclusions of the EIR and a summary of the comments and responses.

In addition, as part of this task, Atkins will prepare a draft and final Mitigation and Monitoring and Reporting Program for the project, as required by Section 15097 of the State CEQA Guidelines. Key components of the program will be identified in a tabular format:

- The mitigation measures to be implemented
- The entity responsible for implementing a particular measure
- The entity responsible for verifying that a particular measure has been completed
- A monitoring milestone(s) or action(s) to mark implementation/completion of the mitigation measure

Deliverables:

- Five hard copies of the Draft Mitigation Monitoring and Reporting Program in Word format.
- Five hard copies of the Final Mitigation Monitoring and Reporting Program in Word format.
- One electronic copy of the Final Mitigation Monitoring and Reporting Program in MS Word
- One electronic copy of the Final Mitigation Monitoring and Reporting Program in PDF format

City Involvement: Organize, announce, and conduct meetings; and review and comment on the draft Mitigation and Monitoring and Reporting Program.

Task 12. Meetings

Purpose: To attend meetings to accomplish the above tasks.

Discussion: Team members will attend and participate in meetings on an as-needed basis. For purposes of the cost estimates, Atkins has assumed four staff and/or Project Sponsor face-to-face meetings, up to three public hearings, and 10 phone conference calls. Additional meetings may be appropriate during the course of this effort, and will be invoiced on a time-and-materials basis. The estimated cost for additional meetings is included in the discussion of the project budget.

City Involvement: Organize, announce, and conduct meetings; prepare materials; follow-up.

Task 13. Project Management

Purpose: Effectively manage the above tasks, and maintain communication with City staff.

Discussion: Atkins project management will be responsible for project coordination activities and will maintain QA/QC requirements for document preparation, and will monitor schedule and performance for all EIR work tasks. Project management subtasks also include maintaining internal communications among Atkins staff and subconsultants and with City staff and other team members through emails and frequent phone contact, as well as the preparation of all

correspondence. The project manager will coordinate internal staff, project guidance, and analysis criteria.

Also included in this Project Management task is the resubmittal of the revised site plans by the applicant on July 23, 2012. As included in Phase 1 of this scope/budget, Atkins reviewed the original site plans and provided comments and a data needs list. In addition, Atkins had started on a draft of the NOP and the Project Description. With submittal of the revised plans, Atkins will review the plans, compare them with the previously-submitted data needs list, revise the NOP, and edit the Project Description.

City Involvement: Coordination with Atkins Project Manager.

Commonwealth Corporate Center EIR Budget - Phase 2



	Project Director	Project Manager	Deputy Project Manager	Environmental Planner	Senior Scientist - Geology/Hazards/Hydrology	Senior Scientist - Cultural/Noise & GIS Analyst - Shadows	Senior Scientist - AQ/GHG	Administrative/Word Proc./Accounting	Hours Per Task	Atkins Labor Per Subtask	Atkins Labor Per Task
PHASE 2											
Task 4 Administrative Draft I											\$ 58,625
Introduction		1		2					3	\$ 320	
Environmental Analysis		1		2					3	\$ 320	
Impacts Found to be Less Than Significant	1	3	4	8		4			20	\$ 2,185	
Aesthetics	1	4	28						33	\$ 3,415	
Transportation/Traffic	1	5	16						22	\$ 2,505	
Air Quality	1	4					60		65	\$ 7,795	
Greenhouse Gas Emissions	1	3					40		44	\$ 5,325	
Noise	1	4		12		40			57	\$ 6,795	
Cultural Resources	1	3				30			34	\$ 4,475	
Geology and Soils		3			21				24	\$ 3,555	
Hydrology/Flood Impacts		3			24				27	\$ 3,990	
Hazardous Materials	1	3			24				28	\$ 4,205	
Population and Housing	1	3		24					28	\$ 2,525	
Public Services	1	3	4	24					32	\$ 2,885	
Utilities	1	3	4	28					36	\$ 3,185	
Production	1	2	12	2				32	49	\$ 5,145	
Project Alternatives and Other CEQA Considerations											
Other CEQA Statutory Considerations		4		8					12	\$ 1,280	\$ 6,760
Alternatives	1	6	28	4	4	4	3		50	\$ 5,480	
Screencheck Draft EIR	2	16	32	16	21	12	16	18	133	\$ 15,505	\$ 15,505
Prepare Draft EIR	1	4	7	10	2	2	2	8	36	\$ 3,885	\$ 3,885
Public Review and Hearings	1	5	5						11	\$ 1,515	\$ 1,515
Prepare Draft Responses to Comments	2	24	32	20	24	16	24	20	162	\$ 19,230	\$ 27,425
Prepare Screencheck Responses to Comments	1	12	18	12	8	4	8	8	71	\$ 8,195	
Prepare Final EIR	1	4	8	8				8	29	\$ 3,055	\$ 3,055
Certification Hearings	1	5	5						11	\$ 1,515	\$ 2,260
MMRP		2		4					7	\$ 745	
Meetings	2	14	14						30	\$ 4,070	\$ 4,070
Project Management		34	26						60	\$ 8,120	\$ 8,120
Total Hours (Phase 2)	24	178	243	184	128	112	153	95	1117		
Hourly Rate	\$ 215	\$ 170	\$ 90	\$ 75	\$ 145	\$ 125	\$ 115	\$ 105			
Total Labor Cost (Phase 2)	\$ 5,160	\$ 30,260	\$ 21,870	\$ 13,800	\$ 18,560	\$ 14,000	\$ 17,595	\$ 9,975		\$ 131,220	\$ 131,220
Other Direct Costs (Printing, Mileage, Records Search, etc.)											\$ 7,000
10% Administration Fee											\$ 700
Total Phase 2 Atkins EIR Cost											\$ 138,920
DKS Associates Phase 2											\$ 50,488
10% Administration Fee											\$ 5,049
Total Phase 2											\$ 194,457

Scope of Work – Phase 1

The following tasks will provide a transportation impact analysis report that meets current City of Menlo Park and San Mateo County Congestion Management Program (CMP) requirements, and provide focused information on the proposed project.

Task 1: Data Collection and Field Reconnaissance

There are 29 study intersections and 12 roadway segments assumed in this analysis and are shown in Figure 1. These are:

Intersections:

1. Marsh Road and Bayfront Expressway
2. Marsh Road and Independence Drive
3. Marsh Road and US 101 NB Off-Ramp
4. Marsh Road and US 101 SB Off-Ramp
5. Marsh Road and Scott Drive
6. Marsh Road and Bay Road
7. Marsh Road and Middlefield Road
8. Independence Road and Constitution Drive
9. Chrysler Drive and Bayfront Expressway
10. Chrysler Drive and Constitution Drive
11. Chrysler Drive and Jefferson Drive
12. Chrysler Drive and Independence Drive
13. Jefferson Drive and Constitution Drive
14. Chilco Street and Bayfront Expressway
15. Chilco Street and Constitution Drive
16. Chilco Street and Terminal Avenue
17. Willow Road and Bayfront Expressway
18. Willow Road and Hamilton Avenue
19. Willow Road and Ivy Drive
20. Willow Road and O'Brien Drive
21. Willow Road and Newbridge Street
22. Willow Road and Bay Road
23. Willow Road and Durham Street
24. Willow Road and Coleman Avenue
25. Willow Road and Gilbert Avenue
26. Willow Road and Middlefield Road
27. University Avenue and Bayfront Expressway
28. Middlefield Road and Ravenswood Avenue
29. Middlefield Road and Ringwood Avenue

Residential and Non-Residential Roadway Segments:

1. Marsh Road between Bohannon Drive and Scott Drive
2. Marsh Road between Bohannon Drive and Bay Road
3. Chrysler Drive between Constitution Drive and Bayfront Expressway
4. Chrysler Drive between Jefferson Drive and Constitution Drive
5. Chilco Street between Constitution Drive and Bayfront Expressway
6. Constitution Drive between Independence Drive and Chrysler Drive
7. Constitution Drive between Chrysler Drive and Jefferson Drive
8. Constitution Drive between Jefferson Drive and Chilco Street
9. Jefferson Drive between Chrysler Drive and driveway
10. Jefferson Drive between driveway and Constitution Drive
11. Independence Drive between Constitution Drive and Chrysler Drive
12. Commonwealth Drive between Chrysler Drive and end of public roadway section of Commonwealth Drive

Field Reconnaissance

DKS staff will conduct field visits during the AM and PM peak periods on a typical weekday (Tuesday, Wednesday or Thursday). DKS will observe:

- Traffic patterns and circulation in the site vicinity
- Study intersection lane geometrics
- Traffic control
- Pedestrian circulation and facilities/amenities
- Proximity of public transit service
- Sight distance issues at study intersections
- Potential access issues

Task 2a: Transportation Impact Analysis

Task 2 will be distributed between Task 2a (Phase 1) and Task 2b (Phase 2). Task 2a will include the initial tasks for the Transportation Impact Analysis, which could include a combination of the following:

Background Trip Generation and Distribution

Background related traffic will be based on planned and approved projects based on the most current list provided by the City of Menlo Park. Several projects on the City's most current list may not be included in the most recent CSA, and may need to be added to the background scenario. DKS will use standard trip generation rates published in the most recent edition of the Institute of Transportation Engineers (ITE) Trip Generation Manual. The distribution and assignment of the background trips will be based on the City's TIA Guidelines and CSA documents.

Project Trip Generation and Distribution

DKS will estimate trip generation rates for the proposed project based standard trip

generation rates published in the most recent edition of the Institute of Transportation Engineers (ITE) *Trip Generation Manual*.

The distribution and assignment of the project trips will be based on the assumptions used in the City of Menlo Park's TIA Guidelines as well as recently conducted traffic studies, the prevailing travel patterns on the adjacent roadway network, abutting land uses, travel time characteristics and our knowledge of the study area.

Study Intersection Traffic Analysis

The AM and PM peak hour operational Levels of Service (LOS) will be analyzed at the study intersections. The analysis will include the following scenarios:

- Existing Condition
- Near Term Condition
- Near Term Plus Project Condition
- Long Term Condition
- Long Term Plus Project Condition

All study intersections will be evaluated during the AM and PM peak hours using the TRAFFIX software and the 2000 Highway Capacity Manual methodology. This traffic analysis will permit estimates of average vehicle delays on approaches that experience LOS "F" conditions. For any impact found to be significant, we will determine the traffic contribution from the proposed project.

The exact scenarios will be determined in conjunction with City staff after the close of the comment period of the Notice of Preparation of the EIR. This proposal assumes a maximum of 5 scenarios (see attached). Additionally, the analysis will include Menlo Gateway-related project trips and suggested mitigation measures as detailed in the EIR and the mitigation measures suggested in the Facebook EIR.

Project Alternatives

DKS will quantitatively analyze up to two project alternatives. The assessment will include a comparison of trip generation potential and a narrative regarding the potential for differences in project-generated near term and long term impacts.

Arterial and Collector Streets Assessment

DKS will estimate the daily traffic on nearby minor arterials and collector streets and estimate whether the proposed project will result in a significant impact under the City's significance criteria. There are 11 roadway segments assumed to be included in the daily traffic analysis (as listed above).

For any study intersections or roadway segments not in Menlo Park, DKS will apply the local agency's adopted analysis methods and significance criteria.

Site Plan and Parking Evaluation

To the extent that the site plan has been developed, DKS will review the site plans for the project site, and access locations with respect to on-site traffic circulation, proposed site access and operational safety conditions. Particular attention will be given to the spacing of traffic signals and access intersections, parking structure layout, on-site queuing along drive aisles and at parking access locations, and queuing at the main project access points from Bayfront Expressway and Marsh Road.

We will also review the proposed parking supply in light of the anticipated demand, and compare these figures to the requirements of the City of Menlo Park Parking Code. Feasible traffic and parking modifications will be evaluated and suggested in the study report.

Circulation Element Conformance

DKS will review the proposed project with respect to the existing General Plan Circulation Element polices.

Pedestrian Conditions, Bicycle Access and Transit Impacts Analysis

DKS will review the proposed project with respect to the potential effects on pedestrian and bicyclist facilities. This includes sidewalks, bicycle lanes, and amenities to promote the safe use of alternate modes of transportation, and connections to the existing bicycle and pedestrian network and Bay Trail. The analysis will consider the project's proposed elements with respect to the City's Bicycle Plan and Sidewalk Master Plan.

DKS will estimate the potential number of additional transit riders that may be generated by the proposed project, and qualitatively assess whether they would constitute an impact on transit load factors.

San Mateo County CMP Analysis

The proposed project will be subject to review by the San Mateo County Congestion Management Program (CMP) and its requirements. As such, DKS will evaluate the following Routes of Regional Significance as shown in Figure 1:

1. SR 84: US 101 to Willow Road (NB)
2. SR 84: Willow Road to University Avenue (NB)
3. SR 84: University Avenue to County Line (SB)
4. SR 109: US 101 to Bayfront Expressway (EB)
5. SR 114: US 101 to Bayfront Expressway (EB)
6. US 101: North of Marsh Road (NB)
7. US 101: Marsh Road to Willow Road (SB)
8. US 101: Willow Road to University Avenue (NB)
9. US 101: South of University Avenue (SB)

The identification of the potential impacts of adding project-generated trips to these routes will be examined. This will include the volume of project-generated traffic added to the

US 101/Willow Avenue and US 101/Marsh Road interchange ramps and adjacent freeway segments. Evaluation of the CMP routes will be based on the most recently approved CMP Traffic Impact Analysis guidelines in the Land Use section of the CMP.

Planned Transportation Improvements

DKS will incorporate any planned transportation improvements as part of the EIR analysis. We will consider the timing and funding for any improvements prior to its inclusion in the analysis.

Development of Mitigation Measures

DKS will discuss specific mitigation measures to address project traffic impacts. We will provide a table comparing analysis results before and after mitigation, and follow the TIA guidelines for mitigation measure preparation. While a TDM program may be recommended as a mitigation measure, a detailed TDM program is not part of the EIR report.

Should significant impacts be identified, DKS will recommend the mitigation measures needed to alleviate such impacts and improve operational conditions. Potential impacts may include those to intersections, roadways, on-site circulation and access, as well as parking, bicyclist, pedestrian and transit operations. The analysis shall first concentrate on short-term strategies that can be implemented by the applicant, and then longer-term joint effort strategies.

Mitigation measures identification and selection process will be coordinated with City staff. As part of this task, DKS will provide conceptual drawings and corresponding construction cost estimates for recommended improvement measures, up to the budget resources available.

Task 6: Meetings (1)

This work scope for Phase 1 includes up to one meeting related to this project.

BUDGET

The estimated not-to-exceed budget for the Phase 1 proposed work scope is \$24,992, which includes all data collection, overhead/expenses. A spreadsheet showing the key project personnel, their hourly rates and expected time to be spent on the project is included with this proposal (Exhibit 1). Present workload of all assigned DKS personnel will allow them to complete the planned work within the identified project schedule.

Following review of this work scope by City staff, DKS will make any necessary changes and prepare a revised work scope and budget estimate.

Scope of Work – Phase 2

The following tasks will be conducted in Phase 2 to meet current City of Menlo Park and San Mateo county Congestion Management Program (CMP) requirements and provide focused information on the proposed project.

Task 2: Transportation Impact Analysis

Background Trip Generation and Distribution

Background related traffic will be based on planned and approved projects based on the most current list provided by the City of Menlo Park. Several projects on the City's most current list may not be included in the most recent CSA, and may need to be added to the background scenario. DKS will use standard trip generation rates published in the most recent edition of the Institute of Transportation Engineers (ITE) *Trip Generation Manual*. The distribution and assignment of the background trips will be based on the City's TIA Guidelines and CSA documents.

Project Trip Generation and Distribution

DKS will estimate trip generation rates for the proposed project based standard trip generation rates published in the most recent edition of the Institute of Transportation Engineers (ITE) *Trip Generation Manual*.

The distribution and assignment of the project trips will be based on the assumptions used in the City of Menlo Park's TIA Guidelines and C/CAG travel demand model as well as recently conducted traffic studies, the prevailing travel patterns on the adjacent roadway network, abutting land uses, travel time characteristics and our knowledge of the study area. The C/CAG travel demand model will be used to determine the vehicle trip path choice by running a future year analysis with and without the project increment. The running of the model will be performed by the VTA and DKS will analyze the model outputs to determine the likely vehicle trip path choice.

Study Intersection Traffic Analysis

The AM and PM peak hour operational Levels of Service (LOS) will be analyzed at the study intersections. The analysis will include the following scenarios:

- Existing Condition
- Near Term Condition
- Near Term Plus Project Condition
- Long Term Condition
- Long Term Plus Project Condition

All study intersections will be evaluated during the AM and PM peak hours using the TRAFFIX software and the 2000 Highway Capacity Manual methodology. This traffic analysis will permit estimates of average vehicle delays on approaches that experience LOS "F" conditions. For any impact found to be significant, we will determine the traffic contribution from the proposed project.

The exact scenarios will be determined in conjunction with City staff after the close of the comment period of the Notice of Preparation of the EIR. This proposal assumes a maximum of 5 scenarios (see attached). Additionally, the analysis will include Menlo

Gateway-related project trips and suggested mitigation measures as detailed in the EIR and the mitigation measures suggested in the Facebook EIR.

Project Alternatives

DKS will quantitatively analyze up to two project alternatives. The assessment will include a comparison of trip generation potential and a narrative regarding the potential for differences in project-generated near term and long term impacts.

Arterial and Collector Streets Assessment

DKS will estimate the daily traffic on nearby minor arterials and collector streets and estimate whether the proposed project will result in a significant impact under the City's significance criteria. There are 12 roadway segments assumed to be included in the daily traffic analysis (as listed above).

For any study intersections or roadway segments not in Menlo Park, DKS will apply the local agency's adopted analysis methods and significance criteria.

Site Plan and Parking Evaluation

To the extent that the site plan has been developed, DKS will review the site plans for the project site, and access locations with respect to on-site traffic circulation, proposed site access and operational safety conditions. Particular attention will be given to the spacing of traffic signals and access intersections, parking structure layout, on-site queuing along drive aisles and at parking access locations, and queuing at the main project access points from Bayfront Expressway and Marsh Road.

We will also review the proposed parking supply in light of the anticipated demand, and compare these figures to the requirements of the City of Menlo Park Parking Code. Feasible traffic and parking modifications will be evaluated and suggested in the study report.

Circulation Element Conformance

DKS will review the proposed project with respect to the existing General Plan Circulation Element polices.

Pedestrian Conditions, Bicycle Access and Transit Impacts Analysis

DKS will review the proposed project with respect to the potential effects on pedestrian and bicyclist facilities. This includes sidewalks, bicycle lanes, and amenities to promote the safe use of alternate modes of transportation, and connections to the existing bicycle and pedestrian network and Bay Trail. The analysis will consider the project's proposed elements with respect to the City's Bicycle Plan and Sidewalk Master Plan.

DKS will estimate the potential number of additional transit riders that may be generated by the proposed project, and qualitatively assess whether they would constitute an impact on transit load factors.

San Mateo County CMP Analysis

The proposed project will be subject to review by the San Mateo County Congestion Management Program (CMP) and its requirements. As such, DKS will evaluate the following Routes of Regional Significance as shown in Figure 1:

1. SR 84: US 101 to Willow Road (NB)

2. SR 84: Willow Road to University Avenue (NB)
3. SR 84: University Avenue to County Line (SB)
4. SR 109: US 101 to Bayfront Expressway (EB)
5. SR 114: US 101 to Bayfront Expressway (EB)
6. US 101: North of Marsh Road (NB)
7. US 101: Marsh Road to Willow Road (SB)
8. US 101: Willow Road to University Avenue (NB)
9. US 101: South of University Avenue (SB)

The identification of the potential impacts of adding project-generated trips to these routes will be examined. This will include the volume of project-generated traffic added to the US 101/Willow Avenue and US 101/Marsh Road interchange ramps and adjacent freeway segments. Evaluation of the CMP routes will be based on the most recently approved CMP Traffic Impact Analysis guidelines in the Land Use section of the CMP.

Planned Transportation Improvements

DKS will incorporate any planned transportation improvements as part of the EIR analysis. We will consider the timing and funding for any improvements prior to its inclusion in the analysis.

Development of Mitigation Measures

DKS will discuss specific mitigation measures to address project traffic impacts. We will provide a table comparing analysis results before and after mitigation, and follow the TIA guidelines for mitigation measure preparation. While a TDM program may be recommended as a mitigation measure, a detailed TDM program is not part of the EIR report.

Should significant impacts be identified, DKS will recommend the mitigation measures needed to alleviate such impacts and improve operational conditions. Potential impacts may include those to intersections, roadways, on-site circulation and access, as well as parking, bicyclist, pedestrian and transit operations. The analysis shall first concentrate on short-term strategies that can be implemented by the applicant, and then longer-term joint-effort strategies.

Mitigation measures identification and selection process will be coordinated with City staff. As part of this task, DKS will provide conceptual drawings and corresponding construction cost estimates for recommended improvement measures, up to the budget resources available.

Task 3: Two (2) Administrative Draft EIR Chapters

DKS Associates will document all work assumptions, analysis procedures, findings, graphics, impacts and recommendations in an Administrative Draft EIR Chapter for review and comments by City staff and the environmental consultant, Atkins. The Chapter will also include:

- Description of new or planned changes to the street system serving the site, including changes in driveway location and traffic control, if any
- Future Project Condition Volumes (ADTs, AM peak hour, PM peak hour)

- Project trip generation rates
- Project trip distribution
- Discussion of impact of project trips on study intersections
- Levels of service discussion and table for each study scenario
- Comparison table of Project Condition and Existing LOS along with average delay and percent increases at intersections
- Impacts of additional traffic volumes on city streets
- Intersection level of service calculation sheets (electronic and hard copy format)

We have assumed a total of two Administrative Drafts of the EIR Transportation Chapter. DKS will respond to one set of consolidated comments on the first Administrative Draft. The text, graphics and analysis will be modified as needed. The second Administrative Draft will then be prepared.

DKS will coordinate with the environmental consultant (Atkins) and provide pdf and WORD versions of the EIR Transportation Chapter to the environmental consultant, as well as intersection and roadway segment traffic data for use in air and noise analysis. Atkins will provide DKS with an outline of the format to be used for the EIR Transportation Chapter.

To support the EIR Transportation Chapter, DKS will provide a technical appendix. The appendix may include more detailed transportation analysis such as level of service calculations, technical memoranda that were developed as part of this proposal, and other supporting materials.

To expedite the review process, and if requested, DKS will provide a separate copy of the EIR Transportation Chapter with its appendix to City staff for their review.

Deliverable: Electronic Copy of Administrative Draft EIR Transportation Chapter (pdf, WORD)

Task 4: Draft EIR Transportation Chapter

DKS will respond to one set of consolidated comments on the second Administrative Draft EIR Transportation Chapter. The text, graphics and analysis will be modified as needed. The Draft EIR Transportation Chapter will then be prepared.

Deliverable: Electronic Copy of Draft EIR Transportation Chapter (pdf, WORD)

Task 5: Final EIR - Response to Comments

DKS will respond in writing to comments received on the Draft EIR Transportation Chapter. We have assumed preparation of comment responses as well as revisions to the responses based on City staff review.

Deliverable: Electronic Copy of Comments and Responses Memo [and Comments and Responses Matrix if requested] (pdf, WORD)

Task 6: Meetings (3)

This work scope includes up to 3 meetings related to this project. This includes two (2) project meetings and one (1) public hearings. Additional meetings beyond these two will be considered additional work.

BUDGET

The estimated not-to-exceed budget for this proposed work scope is \$50,488, which includes meetings and overhead/expenses. A spreadsheet showing the key project personnel, their hourly rates and expected time to be spent on the project is included with this proposal. Present workload of all assigned DKS personnel will allow them to complete the planned work within the identified project schedule.

Following review of this work scope by City staff, DKS will make any necessary changes and prepare a revised work scope and budget estimate.

Exhibit 1
EIR TRANSPORTATION REPORT -151 COMMONWEALTH DRIVE PROJECT
City of Menlo Park, CA

Fee Estimate Phase 2

Personnel & Hourly Billing Rates

Work Tasks	DKS Principal William Loudon \$245	Project Manager Paul Stanis \$120	Associate Engineer \$110	Admin/ Graphics \$100	Other Direct Costs	Total Hours	Total Fee	
0 Project Administration	10	4		8	\$50		\$3,780	
2b Transportation Impact Analysis	2	129	12		\$2,350	143	\$19,640	
3 Admin Draft EIR Traffic Chapters (2)	4	80	8	30	\$100	122	\$14,560	
4 Draft EIR Traffic Chapter	4	30	4	4	\$100	42	\$5,520	
5 Response to Comments on DEIR (Final EIR Comment Responses)	2	24	2	2	\$100	30	\$3,890	
6 Meetings (4)	6	12			\$188	18	\$3,098	
Subtotal	28	279	26	44	\$2,888	355	\$50,488	
Other Direct Costs include printing, mileage, deliveries, etc.							Total Budget:	\$50,488



Atkins North America, Inc.
475 Sansome Street, Suite 2000
San Francisco, California 94111-3164

Telephone: +1.415.362.1500
Fax: +1.415.362.1954

www.atkinsglobal.com/northamerica

Scope of Work – Air Quality and Greenhouse Gas Analyses

This presents the proposed scope of work for the preparation of an Air Quality EIR section for the 151 Commonwealth Drive, Menlo Park Project, as required by the 2011 Bay Area Air Quality Management District (BAAQMD) California Environmental Quality Act (CEQA) Guidelines.

In January 2012, the Superior Court for the Court of Alameda County issued a minute order granting a petition for writ of mandate and determined that BAAQMD failed to comply with CEQA in adopting its revised Guidelines. A writ of mandate vacating BAAQMD's adoption of the revised Guidelines was granted on February 14, 2012. BAAQMD has not issued additional guidance in light of the Court's decision. Under CEQA, it is ultimately up to the Lead Agency to determine which thresholds of significance and methodology to apply. Atkins believes that the use of the BAAQMD's 2011 Guidelines provide conservative thresholds and, therefore, unless the City has other significance thresholds, recommends the continued use of these thresholds until such time as revised thresholds are developed by the BAAQMD. It is Atkins' belief that should new thresholds be developed by the BAAQMD as a result of this lawsuit, the current thresholds will be more stringent. Therefore, any project held to the current BAAQMD thresholds would, at the minimum, maintain their significance findings.

Air Quality Analysis - Criteria Pollutants

Construction-related Emissions. Criteria pollutants are emitted from project-related construction and operational activities. Emissions are produced from both equipment and dust during construction and renovation activities. Operational emissions generated by project implementation are primarily associated with mobile sources; however natural gas usage, landscaping, maintenance, and stationary sources such as emergency generators and boilers also contribute to the emission of criteria air pollutants.

Emissions from construction typically result from material handling, traffic on unpaved or unimproved surfaces, demolition of structures, removal of debris, use of paving materials and architectural coatings, exhaust from construction worker vehicle trips, and exhaust from diesel-powered construction equipment. The project proposes to construct 237,000 square feet of general office building which is below the 277,000 square feet construction screening level for development projects within the BAAQMD. However, the details of the construction activities are unknown at this time and therefore may exceed some of the criteria anticipated in the screening analysis such as no overlap of any construction phases, extensive site preparation, or extensive material transport. Further the BAAQMD recommends the quantification of construction related emissions for GHG quantification and for the Health Risk Analysis (as discussed in their respective sections below) emissions from construction activities will be included in the emissions inventory for the proposed project. Criteria pollutant emissions associated with the construction activities will be estimated using the CalEEMod model and will be compared to the 2011 BAAQMD-adopted CEQA thresholds of significance. The modeling will include, at a minimum, reductions from the Basic Construction Mitigation Measures that are recommended for all construction activities. Should the project's operational activities exceed

thresholds, mitigation measures will be proposed to reduce emissions to below the thresholds or to the extent practicable.

Operational Emissions. The project proposes to construct 237,000 square feet of general office building. While this is below the 346,000 square feet operational screening level for development projects within the BAAQMD, the development may include research and development or biotech facilities and, therefore, do not qualify as normal office use. A full air quality analysis for operational activities must be quantified.¹ The total criteria pollutant emissions will be estimated using the CalEEMod model and will be compared to the 2011 BAAQMD-adopted CEQA thresholds of significance for daily and annual operational activities. This comparison will serve as the basis for determining if the project would result in a significant adverse impact when compared to the BAAQMD-adopted significance criteria. Should the project's operational activities exceed thresholds, mitigation measures will be proposed to reduce emissions to below the thresholds or to the extent practicable. Area source emissions from individual buildings will be determined based on the land use anticipated. Mobile emissions associated with project-related vehicle operations will use trip rates, vehicle trips, and vehicle trip lengths as identified in the project-specific transportation analysis if available or will use the modeling default assumptions.

According to BAAQMD CEQA Guidelines only net new emissions associated with a project are subject to CEQA. In order to accurately account for emission increases from the project, the net difference between existing (pre-project) and project emissions will be calculated. Further, unless accurate trip rates can be determined, all previous land use will assume no traffic thereby providing a conservative estimate of net project level emissions.

Air Quality Analysis - Health Risk Assessment

Atkins will evaluate the potential for adverse health effects associated with toxic air contaminant (TAC) exposures to residential and school site receptors in the vicinity of the project site. A preliminary evaluation TAC sources expected to contribute to local exposures include motor vehicles traveling on local roadways, trucks associated with local commercial facilities, and potential future onsite features operating under Air District permits. BAAQMD methodology suggests that cancer risk be evaluated with respect to diesel particulate matter (DPM) and total organic gases (TOG). Where applicable, cancer risk from TOGs will be derived using a weighted toxicity value developed through the speciation of TOG. The weighted toxicity value will incorporate the individual toxicity of each compound that makes up TOGs.

Construction-related Emissions. The determination of health risks from project-related construction is based predominantly on construction equipment exhaust. Typically construction activities considered in HRA assessments include project-related demolition, grading, excavation, infrastructure installation and foundation and structure construction. Construction emissions for diesel related exhaust as determined from the CalEEMod model above will be used to determine the concentration at nearby sensitive receptors. The ISTSC3 model will be used to determine concentrations of DPM and PM_{2.5} at the nearby receptors. These concentrations will be used to develop specific health risk and PM_{2.5} concentrations at the nearby receptors. These will be compared to the BAAQMD's thresholds of significance to determine project level impacts for

TAC Emissions Associated with the Operation of Existing/Proposed Local Sources. The BAAQMD recommends that TAC exposure from existing sources be evaluated to determine health risks associated

¹ Bay Area Air Quality Management District, *CEQA Air Quality Guidelines*, Updated May 2011, p. 3-2.

with locating sensitive receptors within 1,000 feet of existing sources or locating a potential source within 1,000 feet of an existing sensitive receptor. A screening level analysis, as included in Appendix D, was performed to identify all existing sources and potential receptors within 1,000 feet of the proposed project boundaries.

It is unknown if the project will implement stationary sources. If the project design includes a back-up generator, then a refined analysis will need to be conducted to determine the risk from the back-up generator. If the project does not include a back-up generator, an operational level analysis will not need to be considered. However, because the project is being designed to accommodate biotech or research and development uses, a caveat will be included in the analysis to determine maximum emissions that can be accommodated onsite before the cumulative threshold is reached, and that future tenants will need to provide permits or individual health risk assessments to prove that operations will not exceed cumulative levels. Should known onsite impacts exceed regulatory thresholds for acceptable levels of risk or PM concentrations, mitigation measures will be proposed to reduce anticipated risk. Airborne concentrations will be estimated for sources using the ISTSC3 dispersion model as recommended by BAAQMD in Recommended Methods for Screening and Modeling Local Risks and Hazards (BAAQMD May 2011). For each of the sources where emissions are exceeded Cancer Risk and PM_{2.5} emissions will be further modeled in order to show more accurate emissions of both risk categories.

The screening analysis identified 4 stationary sources, and 1 mobile source of TACs within the 1,000 foot radius. Of the 4 stationary sources, one is listed as being at the project site. Assuming this is still active as of the Notice of Preparation, the project will remove this risk from the area and therefore this source will count as a decrease in risk/concentration for the project area. None of these sources have estimated risk available from the BAAQMD screening tools and therefore a stationary source information request has been submitted.

Cumulative Emissions. Based on the results of the screening level analysis for stationary and mobile sources, quantitative estimates will be determined for cumulative excess lifetime cancer risks, non-cancer HIs, and PM_{2.5} concentrations associated with potential exposure for on-site and off-site receptors as applicable for each study area.

Where applicable, for off-site receptors, the project's contribution to cumulative cancer risk will be addressed both quantitatively and qualitatively. Based on the analysis of risk from the operation of the onsite stationary sources, a representative off-site receptor will be chosen. This receptor will be the one associated with the highest potential risk resulting from the project operation. In order to determine the cumulative risk, the potential risk from all sources within 1,000 feet of the proposed project will be evaluated and compared to the significance thresholds.

Greenhouse Gas Emissions Analysis

Climate change is defined as any significant change in the climate such as temperature, wind, precipitation, that lasts for decades or longer. Climate change is influenced by natural factors, natural process, and human activities which increase the level of greenhouse gases present in the atmosphere. Since the type and size of the proposed project precludes the use of the BAAQMD's screening levels (screening level is 53,000 square feet), greenhouse gas emissions from the project must be quantified. BAAQMD guidelines recommend that emissions from construction as well as all of the direct and indirect emissions from operational activities be quantified.

Climate change is considered a cumulative analysis in that impacts from one project, although not singularly able to directly influence climate change, will combine with the impacts from existing as well as other future projects to influence the levels of greenhouse gases in the atmosphere. Therefore, the climate change analysis will discuss the potential impacts on the study areas from climate change as well as the projects anticipated emissions of greenhouse gases.

Potential Impacts to Study Area. Climate change could have a number of adverse effects. Although these effects would have global consequences, in most cases they would not disproportionately affect any one site or activity. In other words, many of the effects of climate change are not site-specific except for sea level rise. Emission of greenhouse gases would contribute to the changes in the global climate, which would in turn, have a number of physical and environmental effects. However, the extent of these effects is unknown due to the unknown severity of climate change that will occur. The following potential effects which will be addressed qualitatively in the analysis: sea level rise and flooding; water supply; water quality; ecosystems and biodiversity; and human health impacts.

Construction-related Emissions. Emissions of carbon dioxide associated with the construction activities will be estimated using CalEEMod, in accordance with the BAAQMD's 2011 Guidelines as outlined under the criteria pollutant construction emissions.

Operational Emissions. Emissions of carbon dioxide equivalents (CO₂e) for operational emissions will be estimated using the CalEEMod model. The model will use default energy consumption and waste generation assumptions unless project specific data is provided by the project applicant. The total greenhouse gas emissions estimates will be compared to the 2011 BAAQMD-adopted CEQA thresholds of significance for greenhouse gas emissions. This comparison will serve as the basis for determining if the project would result in a significant adverse impact and whether features of project design are adequate to reduce emissions or if additional mitigation measures would be required to reduce impacts to below significance thresholds. Project design features or mitigation will be applied to reduce GHG emissions to the BAAQMD threshold or to the furthest extent possible.



Atkins North America, Inc.
475 Sansome Street, Suite 2000
San Francisco, California 94111-3164

Telephone: +1.415.362.1500
Fax: +1.415.362.1954

www.atkinsglobal.com/northamerica

Air Quality Screening Analysis

A. GENERAL PROJECT INFORMATION:

Date: March 16, 2012

Project name: 151 Commonwealth Drive

Project address: 151 Commonwealth Drive, Menlo Park, CA

Cross streets: Commonwealth Drive & Independence Drive

Brief Project description: [Please be sure to include known construction information and any information on nearby non-permitted sources (truck distribution facilities, rail yards, ports, airports, etc.)]

The 151 Commonwealth Project will demolish the existing 190,000 square foot building and replace the building with 237,000 square feet of office type buildings. These two buildings will be 4-stories and will allow for flexible design for office, biotech, research and development uses.

Proposed project includes:

New receptors¹ Type: (Residence, day care, hospital, etc.)

New source² Type: (On-site back-up generator): Unknown back-up generator, laboratory type land use.

Location of closest sensitive receptor: School southeast across the adjacent rail spur (approximately 48 meters from edge of site to tennis courts on school property. Residential land uses southwest across the 101 Freeway (approximately 70 meters from edge of site to back yard of single family residential properties).

¹ Sensitive receptors are defined by BAAQMD as: children, adults or seniors occupying or residing in: 1) Residential dwellings, including apartments, houses, condominiums, 2) schools, colleges and universities, 3) daycares, 4) hospitals, and 5) senior care facilities. On-site and off-site workers should not be considered receptors for this analysis, as significance thresholds for worker exposures have not been developed at this time. Exposures to off-site workers are evaluated in the permitting process. BAAQMD, *Recommended Methods for Screening and Modeling Local Risks and Hazards*, May 2011, page 12.

² Sources include projects that generate more than 10,000 vehicles/day or more than 1,000 trucks/day and projects that include stationary sources (common stationary sources include emergency back up generators, boilers, dry cleaning facilities, etc.). If a project includes a stationary source, you must also provide the estimated number of daily vehicle trips.

Estimated daily vehicles trips: N/A

Construction and/or demolition activities or use of diesel equipment

Location of closest sensitive receptor: School southeast across the adjacent rail spur (approximately 48 meters from edge of site to tennis courts on school property. Residential land uses southwest across the 101 Freeway (approximately 70 meters from edge of site to back yard of single family residential properties).

Please use the space below to provide additional information regarding the projects use, stationary and mobile sources proposed by the project and intensity of construction and/or demolition activities.

The building owner is proposing to demolish the existing building, surface parking and landscaping on the property located on the east end of Commonwealth Drive. Two new four-story office buildings with new surface parking and new landscaping will be constructed on the site.

The existing building totaling 190,000 square feet will be demolished and replaced with two (2) new four-story office buildings totaling 237,000 square feet. The building floor plates and clear height allow a flexible design for office, biotech, research and development uses. The floor to floor heights are 16' on the 1st floor and 15' on all others, allowing for a minimum of 10' ceiling height to accommodate lab or office space on each floor. Key building / pedestrian features are a beautifully landscaped courtyard with abundant water features and outside dining areas and an internalized boulevard allowing significant individual building identity.

The building façade will utilize aluminum panels and high performance glass set in aluminum frames. This façade will provide energy saving benefits to the occupants while at the same time provide a striking look from Highway 101 and surrounding uses. A new parking lot layout will provide 864 parking stalls on-site for a parking ratio of 3.6 stalls per 1,000 square feet of building area. New landscaping of approximately 165,000 SF or ±31.25% of the site will enhance the property and the surrounding uses in the business park.

B. CRITERIA AIR POLLUTANTS

1) Preliminary Operational Criteria Air Pollutant Screening Analysis

Refer to Table 3-1 of the Bay Area Air Quality Management District's (BAAQMD) CEQA Air Quality Guidelines (Guidelines) for operational criteria air pollutant screening analysis. When screening criteria air pollutants, keep in mind the following:

- a) If the proposed project includes emissions from stationary sources, the screening tables should not be used.
- b) If screening criteria are met, operational criteria air pollutant emissions will not result in a significant impact to air quality.
 - The proposed project meets the operational criteria air pollutant screening criteria
 - The proposed project **does not** meet the operational criteria air pollutant screening criteria
 - Unknown whether the proposed project meets the operational criteria air pollutant screening criteria

If screening criteria are not met, emissions from area, mobile, and stationary sources must be quantified in an Air Quality Technical Report.

The project proposes to construct 237,000 square feet of general office building. While this is below the 346 ksf operational screening level for development projects within the BAAQMD, the development may include research and development or biotech facilities and therefore do not qualify as normal office use. Therefore a full air quality analysis for operational activities must be completed.³

2) Preliminary Construction Criteria Air Pollutant Screening Analysis

Refer to Table 3-1 of the BAAQMD CEQA Air Quality Guidelines for construction criteria air pollutant screening analysis. When screening criteria air pollutants, keep in mind the following:

- a) All Basic Construction Mitigation Measures identified in BAAQMD's CEQA Air Quality Guidelines (2011) would be included in the project design and implemented during construction; and
- b) Construction related activities would not include any of the following:
 - i) Demolition activities inconsistent with District Regulation 11, Rule 2: Asbestos Demolition, Renovation and Manufacturing;
 - ii) Simultaneous occurrence of more than two construction phases (e.g., paving and building construction would occur simultaneously);
 - iii) Simultaneous construction of more than one land use type (e.g., project would develop residential and commercial uses on the same site-however, not applicable to high-density infill development);

³ Bay Area Air Quality Management District, *CEQA Air Quality Guidelines*, Updated May 2011, p. 3-2.

- iv) Extensive site preparation (i.e., greater than default assumptions used by URBEMIS for grading, cut/fill, or earth movement); or
- v) Extensive material transport (greater than 10,000 cubic yards of soil import/export) requiring a considerable amount of haul truck activity.

- The proposed project meets the construction criteria air pollutant screening criteria
- The proposed project **does not** meet the construction criteria air pollutant screening criteria
- Unknown whether the proposed project meets the construction criteria air pollutant screening criteria

If the screening criteria are not met, average daily emissions from construction activities must be quantified in an Air Quality Technical Report.

The project proposes to construct 237,000 square feet of general office building which is below the 277,000 square feet construction screening level for development projects within the BAAQMD. However, the details of the construction activities are unknown at this time and therefore may exceed some of the criteria listed above, specifically b-ii, b-iv, and b-v.

C. HEALTH RISKS

1) Preliminary Single Source Health Risk Screening Analysis for New Receptors

This section should be completed for projects that include new sensitive receptors, or as indicated in Sections C.2 or C.3, below.

a. Stationary Sources within 1,000 ft Buffer of Project Site

[Identify all stationary sources of TACs within 1,000 feet of the project site and provide a graphic showing the project site, 1,000 ft buffer, and all stationary sources and roadways with traffic greater than 10,000 vehicles/day or 1,000 trucks/day (see C.2, below) within the buffer. If refined screening was conducted either through verification of source information with the BAAQMD or by applying appropriate distance adjustment factors, provide both the database information and the revised/adjusted information based on either correspondence with BAAQMD or supporting calculations. Table 1, included as must be appended to this form.]

1. Source Information is from BAAQMD database (GIS files) dated: [Include date of database information used]

2. Source Information has been verified by BAAQMD

Stationary Source Comments: [Discuss any additional information here. Additional information may include a discussion of whether risks were adjusted for distance or confirmation of when the source information was verified by BAAQMD and any differences between the database source information and verified source information.]

The list of stationary sources within 1,000 feet of the project site has been submitted to the BAAQMD for completion. While the project site itself is not considered a sensitive receptor, this information will be needed to determine the cumulative impacts to adjacent sensitive receptors from construction activities and potential onsite operations. No impacts from these sources are anticipated for the project site. The Stationary Source Information Form was submitted to the BAAQMD on 3/19/2012.

b. High Volume Roadways

[List all roadways within 1,000 feet of the project site with $\geq 10,000$ vehicles/day or with $\geq 1,000$ trucks/day in Table 1. To determine risks from highways, use BAAQMD's Highway Screening Analysis tool. Using these tools, provide the estimated cancer risk and PM_{2.5} risk.]

Specify Roadway Volume tool used: [Sources of traffic volumes include the Traffic Data Branch of the California Department of Transportation (Caltrans). Traffic Volumes (AADT) for all vehicles on CA state highways and truck traffic (AADTT) on CA state highways. <http://traffic-counts.dot.ca.gov/>]

Roadway Source Comments: [Discuss any additional information here.]

While the project site itself is not considered a sensitive receptor, impacts from roadways with greater than 10,000 ADT will be needed to determine the cumulative impacts to adjacent sensitive receptors with the inclusion construction activities and potential operational activities. No impacts from these sources are anticipated for the project site. Only the 101 Freeway is located within the 1,000 foot zone

of influence for the project site. Therefore, the only roadway source that will be considered with respect to cumulative impacts is the 101 Freeway.

c. Non Permitted Sources

Discuss whether there exist any non-permitted sources⁴ within 1,000 feet of the project site:

There are no non-permitted sources identified within the project site or the 1,000 foot zone of influence. Non-permitted sources are considered to be those facilities that generate significant emissions from on-road and off-road mobile sources such as distribution centers, rail yards, and bus terminals. Identification of the existence or lack of potential non-permitted sources was made through the use of Google Earth. While a rail spur exists adjacent to the site it is not considered a non-permitted source because the level of activity on the spur is not equivalent to that of a rail yard.

2) Preliminary Operational Health Risk Screening Analysis

This section should be completed for projects that include mobile or stationary sources.

i. Would the project generate more than 10,000 vehicles/day or more than 1,000 truck trips/day?

Yes

No

ii. Would the project include any stationary sources, including backup generator(s) and boiler(s)?

Yes (unknown)

No

If the answer to any of the questions in Section C.2 is yes, then an operational health risk assessment is required. To determine cumulative health risk impacts, complete Section C.1 and Section C.4.

3) Preliminary Construction Health Risk Screening Analysis

Use the construction screening table (Table 2 of *Screening Table for Air Toxics Evaluation During Construction*) to determine if the risk and hazard impacts from construction may exceed the screening criteria.

The screening table should not be used if the project in consideration has substantially different characteristics than those used to create the screening levels.⁵

⁴ Examples of non-permitted sources include: major ports, rail yards, distribution centers and truck-related businesses, airports, etc.

To compare the minimum offset distance from the project fenceline use the following:

- a. Project site acres if available.
- b. If the project site acreage is not available, use the number of units (residential) or square feet (commercial/industrial) of the project.
- c. If the project falls between two project sizes, use the larger of the two to be conservative. Do not interpolate between two project sizes.

The proposed project meets the construction health risk screening buffer

The proposed project **does not** meet the construction health risk screening buffer

If the project's nearest sensitive receptor is less than the minimum distance noted in Table 2 of *Screening Table for Air Toxics Evaluation During Construction*, a refined modeling analysis is required. To determine cumulative construction health risk impacts complete Section C.1 and Section C.4.

Construction Health Risk Screening Comments: [Discuss any additional information here.]

The project would involve demolition and then construction of a new structure. As determined by BAAQMD's Screening Tables for Air Toxics Evaluation During Construction based on the project site acreage the minimum distance required between the fence line of the construction site and a nearby sensitive receptor to ensure that cancer and non-cancer risks associated with the project are less than significant is 200 meters.⁶ The proposed project is across the 101 from single-family residential uses and across a rail road spur from a school site, therefore it would not meet the BAAQMD's screening methodology and will require refined modeling to accurately assess risk to nearby sensitive receptors during construction.

4) CUMULATIVE HEALTH RISKS

[Sum the results of all stationary sources, roadways with $\geq 10,000$ vehicles/day or 1,000 trucks/day, and any non-permitted sources in Table 1]

i. The following cumulative health risk thresholds may be exceeded, requiring refined modeling:

Cancer Risk (100/million threshold)

Hazard Index (10.0 threshold)

Annual Average PM_{2.5} (0.8 $\mu\text{g}/\text{m}^3$)

5) SUMMARY OF HEALTH RISK ANALYSIS

⁵ In particular, the screening table should not be used if the project has overlapping construction phases. Longer phases or more extensive construction equipment use are additional examples of different project characteristics than traditional residential, commercial or industrial projects.

⁶ Bay Area Air Quality Management District, *Screening Tables for Air Toxics Evaluation During Construction*, May 2011, p 9.

- i. **The screening-level analysis found that the proposed project includes sensitive receptors and that at least one source exceeds the single source health risk thresholds, requiring refined modeling:**

- Yes
 No
 Unknown

- ii. **The screening-level analysis found that the proposed project includes sources that could affect nearby sensitive receptors**

- Yes (unknown)
 No
 Unknown

These sources include (or may include) the following: Unknown.

Notes: Need more detailed information on project operations before this can be determined.

- iii. **The screening-level analysis found that the proposed project includes construction activities that could affect nearby sensitive receptors**

- Yes
 No
 Unknown

Notes: [Use this space to include additional details.] It is within the screening distance established by the BAAQMD screening tables.

- iv. **The screening-level analysis found that cumulative health risks may be exceeded**

- Yes
 No
 Unknown –

Based on a screening-level analysis, the following cumulative health risk thresholds are exceeded:

- Cumulative Cancer Risk Thresholds Exceeded
 Cumulative PM_{2.5} Thresholds Exceeded
 Cumulative Non Cancer Thresholds Exceeded

Notes: [Use this space to include additional details.] Because the 101 freeway is less than the thresholds at the nearest sensitive receptors, and the emissions concentrations and screening level risk are not known yet for the nearby stationary sources or onsite construction or operational activities, it cannot be determined if potential cumulative health risks exist.

D. FINDINGS OF PRELIMINARY AIR QUALITY SCREENING ANALYSIS

1) Criteria Air Pollutants

A screening-level analysis found that the proposed project does not meet the following criteria air pollutant screening criteria and requires additional analysis:

- Project Operations
- Project Construction

2) Health Risks

A screening-level analysis found that the proposed project does not meet the following health risk screening criteria and requires additional analysis:

- Project would site new sensitive receptors that may be exposed to substantial pollutant concentrations [identify the health risk threshold potentially exceeded (e.g., cancer, PM_{2.5} or non-cancer risks)]
- Project includes operational sources of health risks
- Project would result in construction activities that may expose nearby sensitive receptors to substantial pollutant concentrations
- Cumulative health risk thresholds may be exceeded [identify health risk threshold potentially exceeded (e.g., cancer, PM_{2.5} or non-cancer risks)]

Considerations for Health Risk Assessment: [Please include a discussion regarding what sources should be included in the health risk assessment.]

The health risk assessment will include the following sources:

For project specific construction impacts to adjacent sensitive receptors sources will include all DPM and PM_{2.5} emissions from onsite equipment used during construction.

For project specific operational impacts to adjacent sensitive receptors, if an on-site source is identified.

For cumulative construction impacts to adjacent sensitive receptors sources would include the project specific construction impacts as well as the existing stationary sources and mobile sources identified for the project's zone of influence.

For cumulative operational impacts to adjacent sensitive receptors sources would include the project specific operational impacts as well as the existing stationary sources and mobile sources identified for the project's zone of influence.

Table 1. Stationary Sources, Roadways, and Non-permitted Sources within 1,000 feet of Project Site

Stationary Sources							
Plant ID	Plant Name	Address	Distance to Project Site	Cancer Risk	Annual Average PM2.5	Non-Cancer Risk	Exceeds Indiv. Threshold?
18855	Tyco Thermal Controls	307 Constitution Avenue	230	Contact District Staff	Contact District Staff	Contact District Staff	
3121	Tyco Thermal Controls	307 Constitution Avenue	230	Contact District Staff	Contact District Staff	Contact District Staff	
9573	Diageo North America	151 Commonwealth Drive	121	Contact District Staff	Contact District Staff	Contact District Staff	
1279	Caltrans	Rt 101	?	Contact District Staff	Contact District Staff	Contact District Staff	
Roadways with Traffic > 10,000 vehicles/day							
Roadway	Direction	Volume	Distance to Project Site	Cancer Risk	Annual Average PM2.5	Non-Cancer Risk	Exceeds Indiv. Threshold?
101 Freeway	N/S	211,000	50 ft	63.746	0.0610	0.062	Y
Non-Permitted Sources							
Facility Name	Facility Address	Source Type	Distance to Project Site	Description of Site Activities			
Cumulative Health Risk Impacts				UNK	UNK	UNK	
Cumulative Health Risk Thresholds				100	0.8	10.0	
Cumulative Health Risk Thresholds Exceeded				Y/N	Y/N	Y/N	

The **SOBRATO** Organization

A Planning Department Submittal For:
Commonwealth Corporate Center
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, CA 94025



PROJECT DESCRIPTION

NEW OFFICE BUILDING DEVELOPMENT

APPLICABLE CODES

- 2015 CALIFORNIA BUILDING CODE (CBC) TITLE 24 PART 11
- 2015 CALIFORNIA ELECTRICAL CODE (CEC) TITLE 24 PART 16
- 2015 CALIFORNIA MECHANICAL CODE (CMC) TITLE 24 PART 18
- 2015 CALIFORNIA PLUMBING CODE (CPC) TITLE 24 PART 19
- 2015 CALIFORNIA FIRE CODE (CFC) TITLE 24 PART 21
- 2015 CALIFORNIA TREE CODE (CTC) TITLE 24 PART 22
- 2015 CALIFORNIA GREEN BUILDING STANDARDS CODE (CBC) TITLE 15 PART 11.1

ALL CODES ARE SUBJECT TO LOCAL ORDINANCES AND PER CALIFORNIA BUILDING STANDARDS COMMISSION (BSC) 1933

GENERAL NOTES

1. THE PROPOSED DEVELOPMENT SHALL MEET THE REQUIREMENTS FOR THE APPLICABLE CODES AND REGULATORY CHAPTERS OF THE 2015 CALIFORNIA BUILDING CODE (CBC).
2. BUILDING HEIGHT AND FOOTPRINT SHALL BE IN ACCORDANCE WITH THE LOCAL ORDINANCES.
3. ALL ELEVATIONS SHALL BE IN ACCORDANCE WITH THE LOCAL ORDINANCES.
4. ALL ELEVATIONS AND FINISHES OF FRAMES SHALL BE IN ACCORDANCE WITH THE LOCAL ORDINANCES.
5. THE HVAC EQUIPMENT SHALL BE IN ACCORDANCE WITH THE LOCAL ORDINANCES.
6. THE ELEVATIONS SHALL BE IN ACCORDANCE WITH THE CALIFORNIA GREEN BUILDING STANDARDS CODE (CBC) AND THE LOCAL ORDINANCES.

PROJECT TEAM

OWNER: THE SOBRATO ORGANIZATION

ARCHITECT: ARCTEC INC
 89 American Revolution, Suite 940
 San Jose, CA 95131
 PHONE: 408.996.5676
 CONTACT: info@arctec.com
 EMAIL: info@arctec.com

LANDSCAPE ARCHITECT: THE HILLMAN GROUP INC
 114 Commonwealth Drive
 San Francisco, CA 94111
 PHONE: 415.774.4811
 CONTACT: thehillman.com
 EMAIL: thehillman.com

CIVIL ENGINEER: J & E BERKELEY
 3550 Sand Hill Road, Suite 217
 San Jose, CA 95134
 PHONE: 408.737.8881
 CONTACT: jeb@jeb.com
 EMAIL: jeb@jeb.com

DRAWING INDEX AND ISSUE DATES

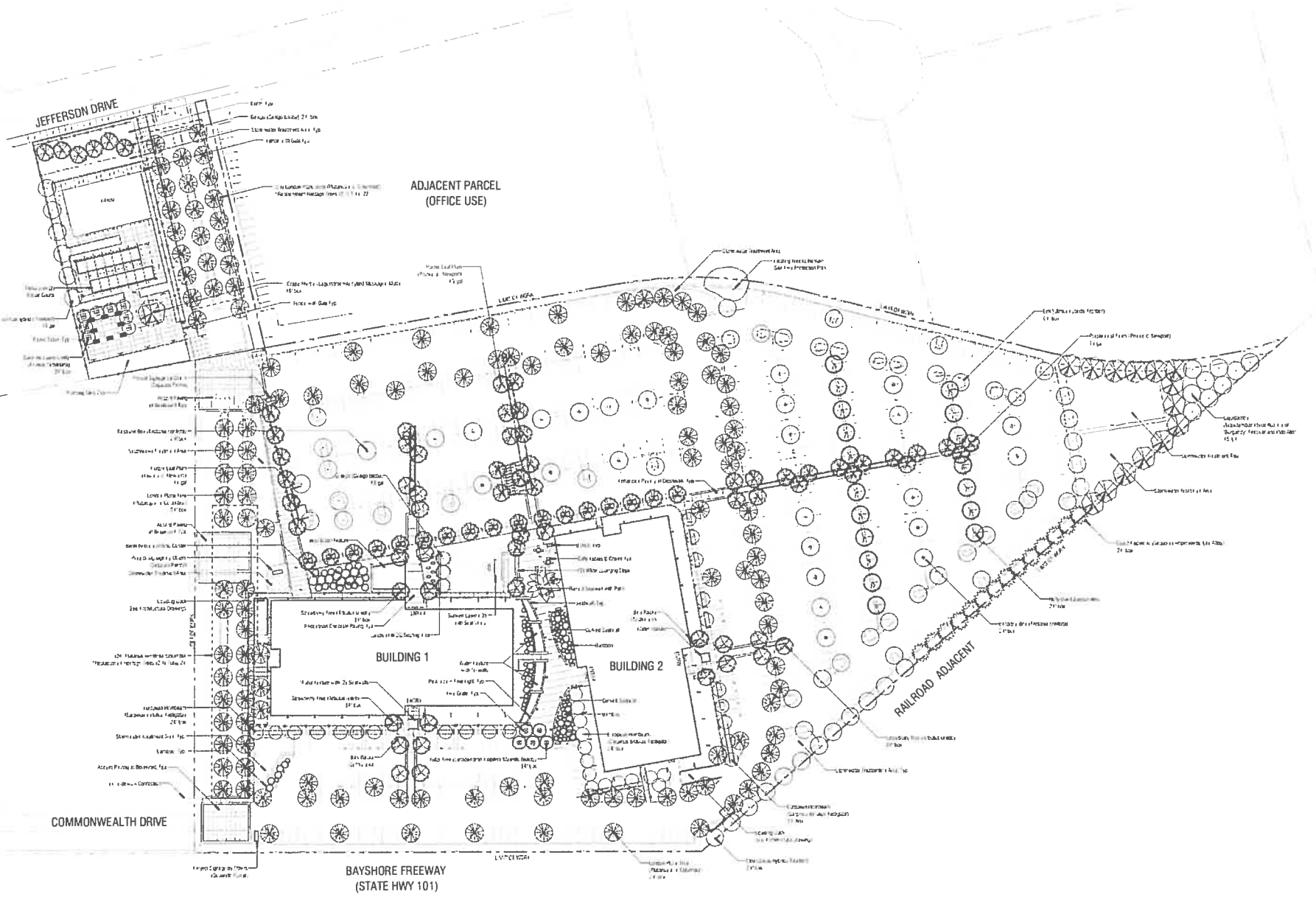
■ FIRST ISSUE OR NO CHANGE / ■ SECOND ISSUE / ■ MODIFICATIONS SINCE PREVIOUS ISSUE / ■ ISSUE DATE / ■ REVISION DESCRIPTION

NO.	DESCRIPTION	ISSUE DATE	REVISION DESCRIPTION
00	COVER SHEET		
01	LANDSCAPE PLAN		
ARCHITECTURAL			
A0	AREA PLAN		
A1	ELEVATION & PLAN		
A2	ELEVATION PHOTO		
A3	ELEVATION PHOTO		
A4	ELEVATION PHOTO		
A5	AREA PLAN		
A6	SITE PLAN		
A7	ENERGY EFFICIENCY ACCESS		
A8	FIRST FLOOR AREA CALCULATION		
A9	SECOND FLOOR AREA CALCULATION		
A10	THIRD FLOOR AREA CALCULATION		
A11	FIRST FLOOR PLAN		
A12	TYPICAL UPPER FLOOR PLAN		
A13	FLOOR PLAN		
A14	ELEVATION		
A15	ELEVATION		
A16	ELEVATION		
A17	BUILDING SECTION		
A18	CONCEPTUAL FIRST FLOOR SPACE PLAN		
A19	CONCEPTUAL UPPER LEVEL SPACE PLAN		
CIVIL			
C1	PRELIM TOPOGRAPHIC SURVEY		
C2	PRELIM GRADING, DRAINAGE & UTILITY PLAN		
C3	PRELIM FLOOD HAZARD MANAGEMENT PLAN		
C4	PRELIM SITE & DISPOSITION PLAN		

VICINITY MAP



A Planning Department Submittal For:
Commonwealth Corporate Center
 151 Commonwealth Drive and 164 Jefferson Drive Menlo Park, CA 94025



ARC TEC
 ARCHITECTURAL TECHNOLOGIES
 www.arctec.com
 11000 E. 15th Street
 Suite 100, Denver, CO 80231
 Phone: 303.751.1100
 Fax: 303.751.1101
 California
 17000 E. 15th Street, Suite 100
 Denver, Colorado 80231
 Phone: 303.751.1100
 Fax: 303.751.1101
 © Copyright - ARC TEC, INC. 2017

GUZZARDO PARTNERSHIP INC.
 Landscape Architects - Land Planners
 11000 E. 15th Street
 Suite 100, Denver, CO 80231
 Phone: 303.751.1100
 Fax: 303.751.1101

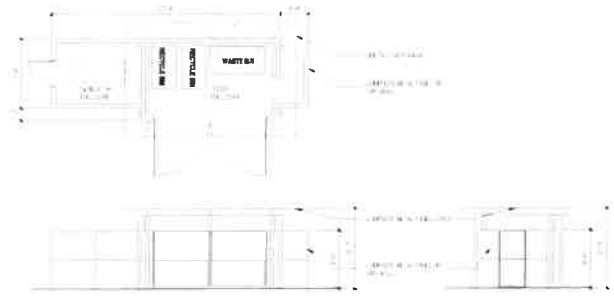
A Planning Department Submission for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

SOBRATO

DATE: 11/17/17
 DISCIPLINE: LANDSCAPE ARCHITECTURE

ILLUSTRATIVE LANDSCAPE PLAN
 SCALE: 1"=10'-0"





3 TRASH/GENERATOR ENCLOSURE PLAN AND ELEVATION

NO.	DESCRIPTION	QTY	UNIT	REMARKS
1	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	
2	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	
3	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	
4	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	
5	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	
6	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	
7	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	
8	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	
9	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	
10	TRASH/GENERATOR ENCLOSURE	1	SQ. FT.	

KEY NOTES

1. SEE PLAN FOR LOCATION.
2. SEE PLAN FOR LOCATION.
3. SEE PLAN FOR LOCATION.
4. SEE PLAN FOR LOCATION.
5. SEE PLAN FOR LOCATION.
6. SEE PLAN FOR LOCATION.
7. SEE PLAN FOR LOCATION.
8. SEE PLAN FOR LOCATION.
9. SEE PLAN FOR LOCATION.
10. SEE PLAN FOR LOCATION.

164 JEFFERSON DR PROJECT DATA

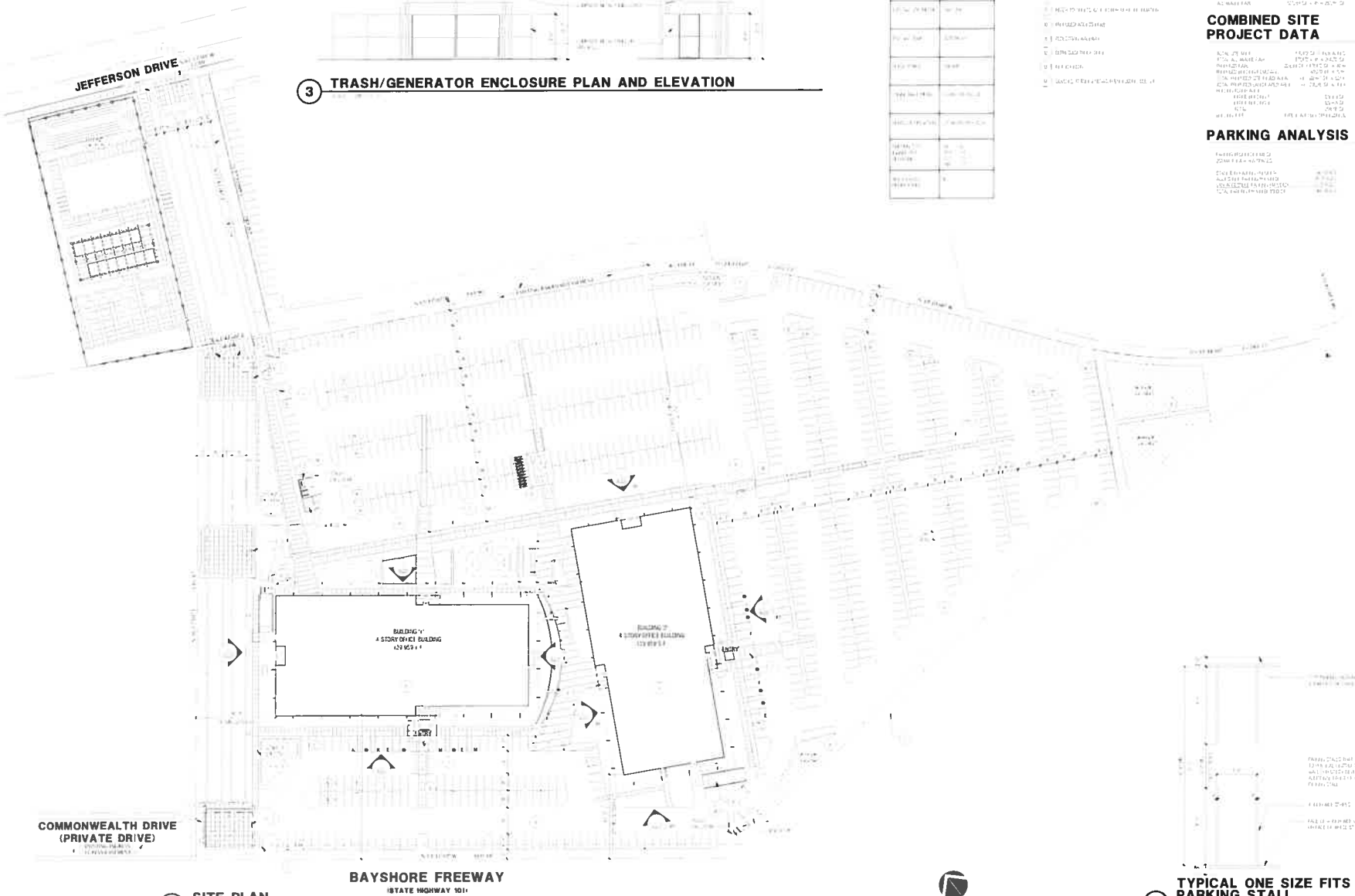
164 JEFFERSON DR
 164 JEFFERSON DR
 164 JEFFERSON DR
 164 JEFFERSON DR
 164 JEFFERSON DR
 164 JEFFERSON DR
 164 JEFFERSON DR
 164 JEFFERSON DR
 164 JEFFERSON DR
 164 JEFFERSON DR

151 COMMONWEALTH DR PROJECT DATA

151 COMMONWEALTH DR
 151 COMMONWEALTH DR
 151 COMMONWEALTH DR
 151 COMMONWEALTH DR
 151 COMMONWEALTH DR
 151 COMMONWEALTH DR
 151 COMMONWEALTH DR
 151 COMMONWEALTH DR
 151 COMMONWEALTH DR
 151 COMMONWEALTH DR

PARKING ANALYSIS

PARKING ANALYSIS
 PARKING ANALYSIS
 PARKING ANALYSIS
 PARKING ANALYSIS
 PARKING ANALYSIS
 PARKING ANALYSIS
 PARKING ANALYSIS
 PARKING ANALYSIS
 PARKING ANALYSIS
 PARKING ANALYSIS



1 SITE PLAN

2 TYPICAL ONE SIZE FITS ALL PARKING STALL

ARC TEC
 ARCHITECTURAL TECHNOLOGIES
 www.arctec.com
 2000 East Highway 101, Suite 101
 Menlo Park, California 94025
 415.321.1111

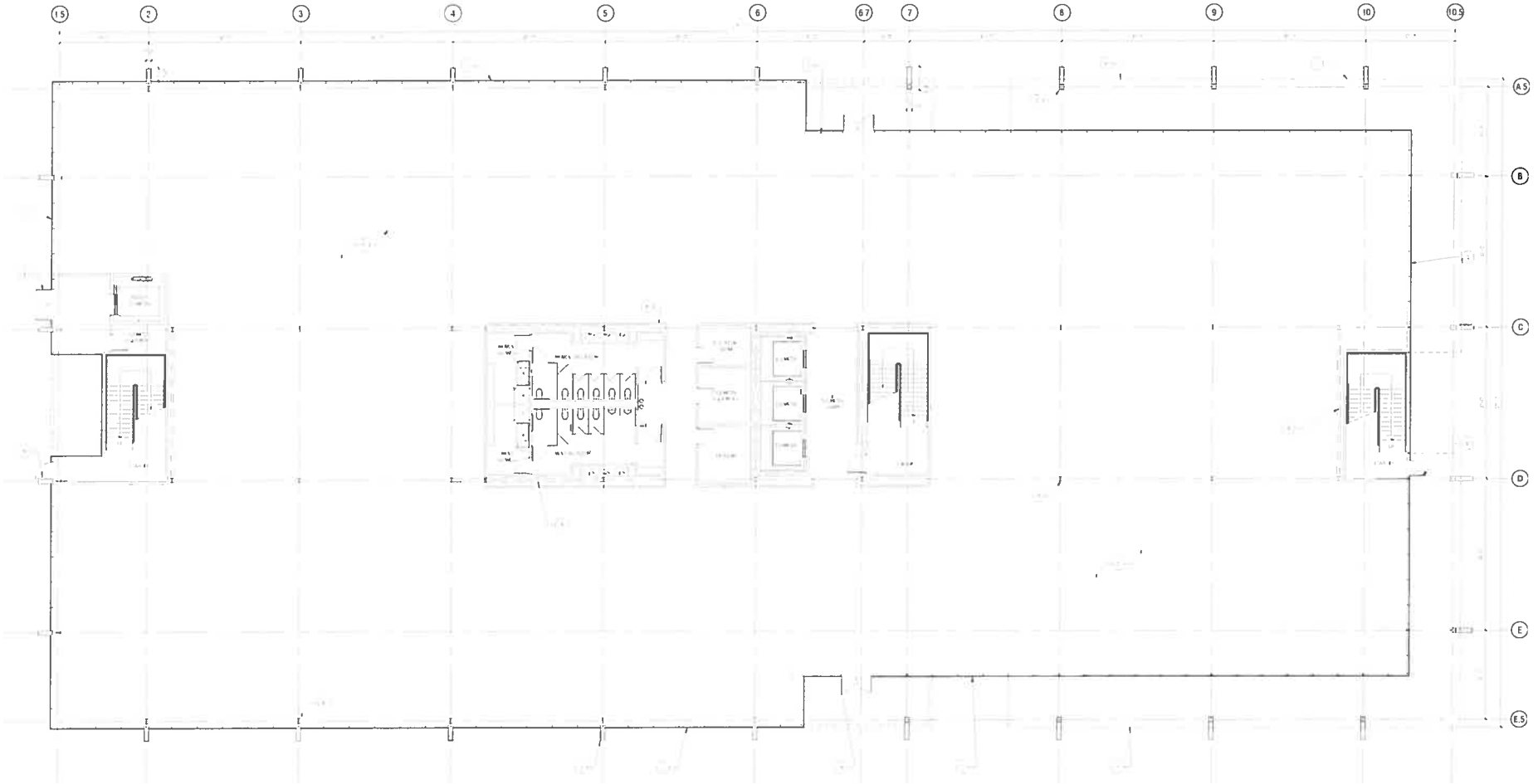
A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

SOBRATO

DATE: 08/11/11
 DESCRIPTION: HAWAIIAN LANTANA



A1.01
 PROJECT NO: 110943



1 OFFICE BUILDING FIRST LEVEL FLOOR PLAN



ARC TEC
ARCHITECTURAL TECHNOLOGIES
www.arctecinc.com

ARC TEC
2160 East Henderson Avenue, Building C
Pasadena, Arizona 92301
1 602.952.2275 1 602.952.2700

ARC TEC
17 Alhambra Boulevard, Suite 207
San Jose, California 95131
408.436.8174 408.436.1143

ARC TEC
17 Alhambra Boulevard, Suite 207
San Jose, California 95131
408.436.8174 408.436.1143

C 411111 AR 10/11/11 2/0

A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
151 Commonwealth Drive and 164 Jefferson Drive
Menlo Park, California 94025

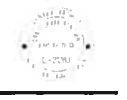
THE **SOBRATO** GROUP



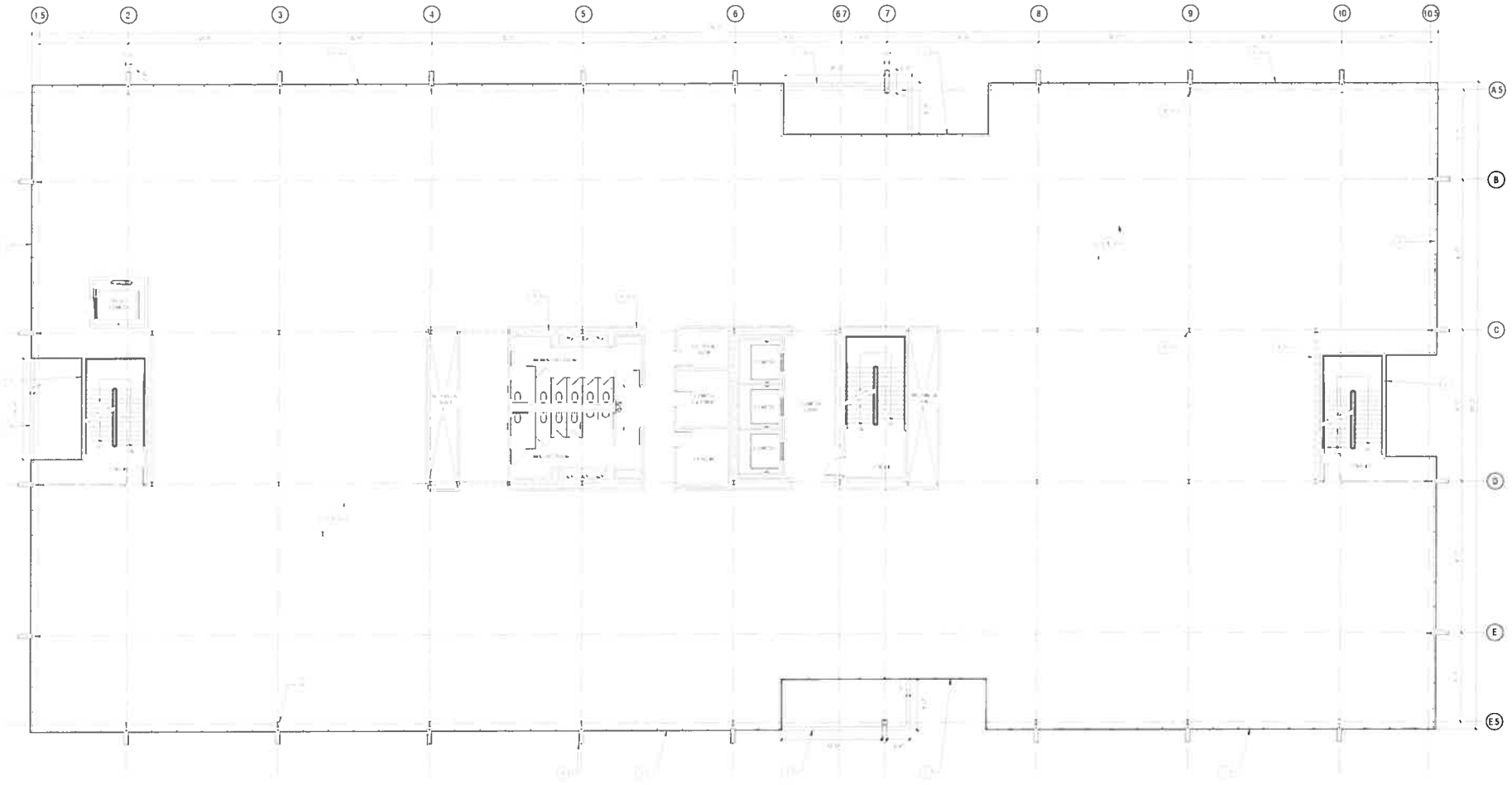
KEY NOTES

- 1. FINISHES FOR EXTERIOR WALLS AND ROOFING TO BE DETERMINED BY ARCHITECT.
- 2. FINISHES FOR INTERIOR WALLS AND CEILING TO BE DETERMINED BY ARCHITECT.
- 3. ALL EXTERIOR FINISHES TO BE DETERMINED BY ARCHITECT.
- 4. INTERIORS TO BE DETERMINED BY ARCHITECT.
- 5. FINISHES FOR INTERIOR WALLS AND CEILING TO BE DETERMINED BY ARCHITECT.
- 6. INTERIORS TO BE DETERMINED BY ARCHITECT.
- 7. FINISHES FOR INTERIOR WALLS AND CEILING TO BE DETERMINED BY ARCHITECT.
- 8. INTERIORS TO BE DETERMINED BY ARCHITECT.
- 9. FINISHES FOR INTERIOR WALLS AND CEILING TO BE DETERMINED BY ARCHITECT.
- 10. INTERIORS TO BE DETERMINED BY ARCHITECT.

DATE	DESCRIPTION
11/11/11	ISSUED FOR PERMIT



OFFICE BUILDING
FIRST LEVEL FLOOR PLAN
A2.11
PROJECT NO. 110101



ARC TEC
ARCHITECTURAL TECHNOLOGIES
www.arctec.com

ARC TEC
2001 East Mountain View, Building C
Palo Alto, CA 94303
+1 650.953.2272 +1 650.953.2700
California

19 Mountain View, Suite 400
San Jose, California 95110
+1 408.486.2176 +1 408.486.1111

ARC TEC is an Equal Opportunity Employer. Minorities and women are encouraged to apply.

A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
151 Commonwealth Drive and 164 Jefferson Drive
Menlo Park, California 94025



SOBRATO

1 OFFICE BUILDING - TYPICAL UPPER FLOOR PLAN

KEY NOTES

- 1. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.
- 2. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.
- 3. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.
- 4. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.
- 5. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.
- 6. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.
- 7. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.
- 8. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.
- 9. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.
- 10. FINISHES TO BE DETERMINED BY THE ARCHITECT IN CONSULTATION WITH THE OWNER.

DATE: _____

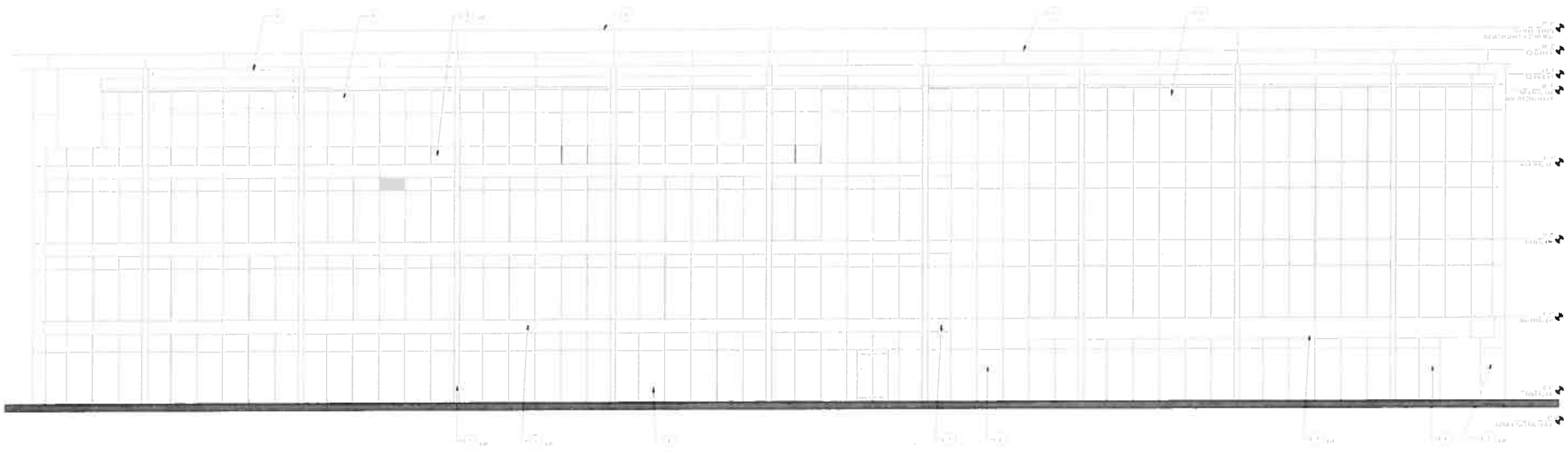
DESCRIPTION: _____



TITLE & HOLDING
TYPICAL UPPER FLOOR PLAN

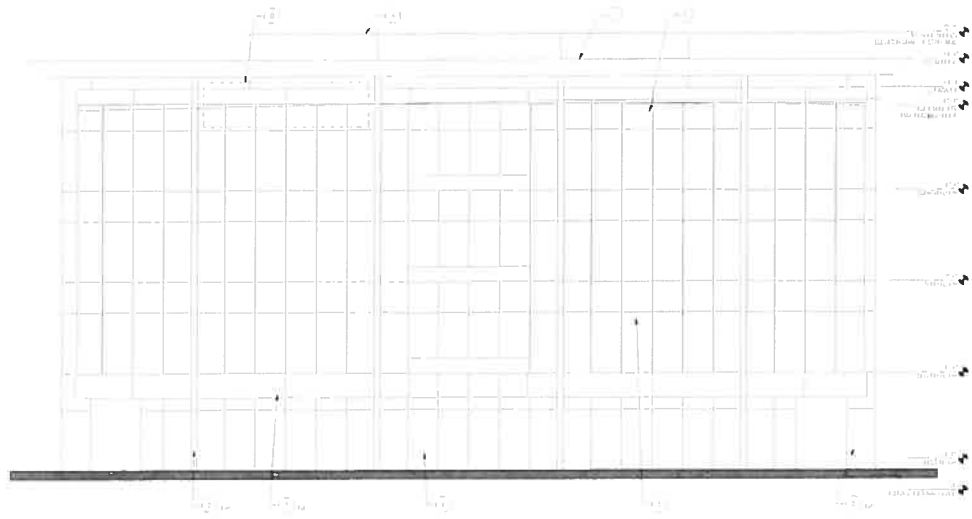
A2.12

PROJECT NO: 132543



ARCTEC
 ARCHITECTURAL TECHNOLOGIES
 www.arctec.com
 Arizona
 2164 East North-Sunnyside, Building 1
 Phoenix, Arizona 85028
 T 602.953.3333 F 602.953.2900
 California
 19 Alhambra Boulevard, Suite 400
 San Jose, California 95131
 T 408.485.8828 F 408.485.8114

① BUILDING '1' SOUTH ELEVATION / BUILDING '2' WEST ELEVATION



- KEY NOTES**
- 1. EXISTING ARCHITECTURE
 - 2. NEW ARCHITECTURE
 - 3. EXISTING ARCHITECTURE TO REMAIN
 - 4. EXISTING ARCHITECTURE TO BE DEMOLISHED
 - 5. EXISTING ARCHITECTURE TO BE RECONSTRUCTED
 - 6. EXISTING ARCHITECTURE TO BE RECONSTRUCTED WITH NEW MATERIALS
 - 7. EXISTING ARCHITECTURE TO BE RECONSTRUCTED WITH NEW MATERIALS AND FINISHES
 - 8. EXISTING ARCHITECTURE TO BE RECONSTRUCTED WITH NEW MATERIALS AND FINISHES AND GLAZING
 - 9. EXISTING ARCHITECTURE TO BE RECONSTRUCTED WITH NEW MATERIALS AND FINISHES AND GLAZING AND CURTAIN WALLS
 - 10. EXISTING ARCHITECTURE TO BE RECONSTRUCTED WITH NEW MATERIALS AND FINISHES AND GLAZING AND CURTAIN WALLS AND ROOFING

② BUILDING '1' EAST ELEVATION / BUILDING '2' SOUTH ELEVATION

A Planning Department Submittal for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 164 Jefferson Drive
 Menlo Park, California 94025

SOBRATO

DATE	DESCRIPTION
7/1/2014	ISSUED FOR PERMIT



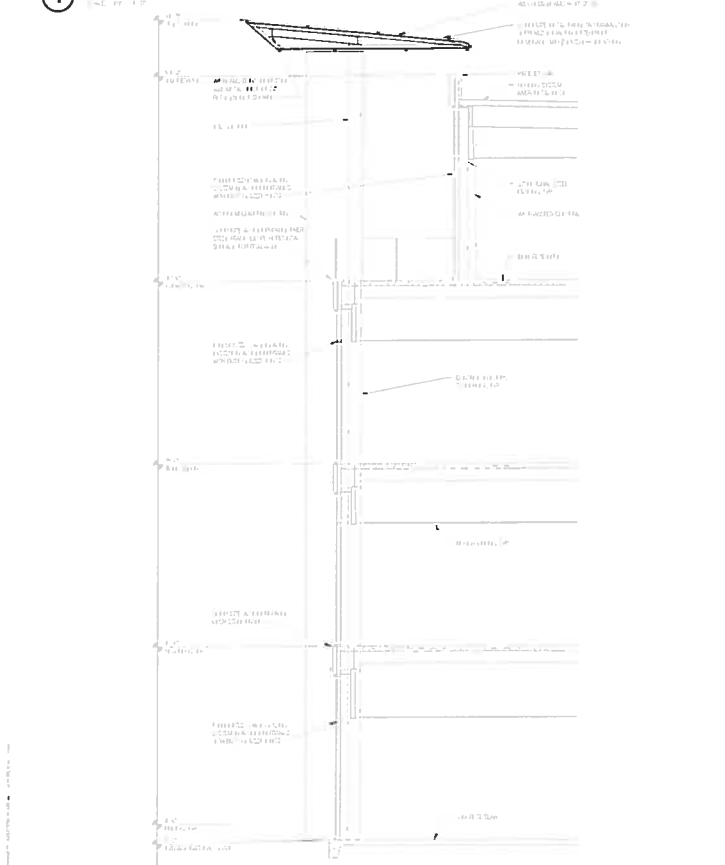
OFFICE BUILDING
 EXTERIOR ELEVATIONS

A3.01

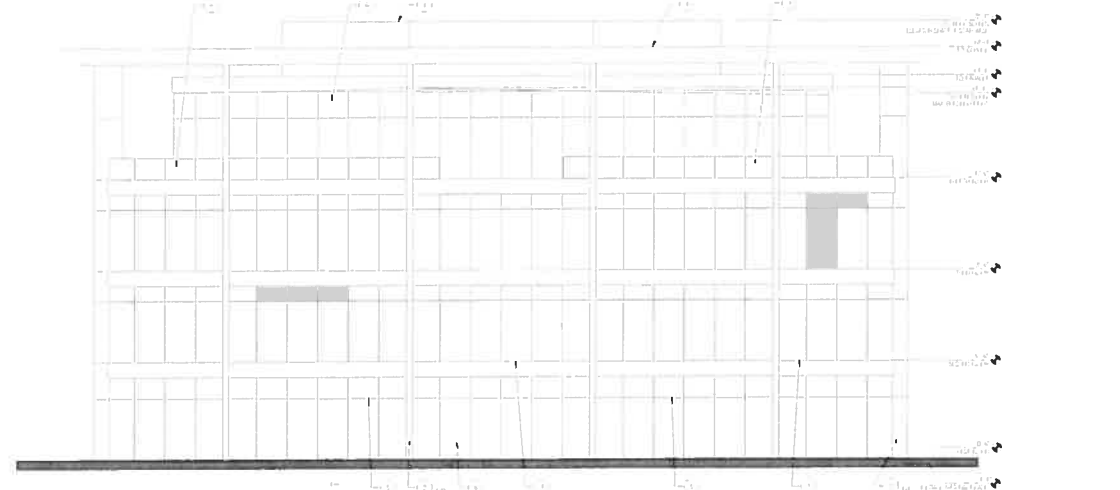
PROJECT NO. 132841



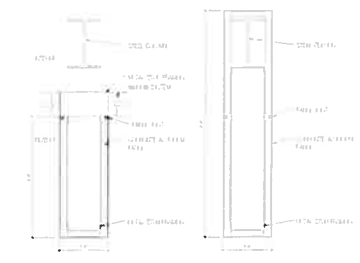
1 BUILDING '1' NORTH ELEVATION / BUILDING '2' EAST ELEVATION
SCALE: 1/8" = 1'-0"



3 WALL SECTION
SCALE: 1/4" = 1'-0"



2 BUILDING '1' WEST ELEVATION / BUILDING '2' NORTH ELEVATION
SCALE: 1/8" = 1'-0"



4 FIN DETAIL
SCALE: 1/4" = 1'-0"

- KEY NOTES**
1. CLASH DETECT AND RESOLVE CONFLICTS FROM ALL DISCIPLINES.
 2. FINISH AND MATERIALS TO BE DETERMINED BY THE ARCHITECT.
 3. VERIFY ALL DIMENSIONS AND LOCATIONS WITH THE CONTRACTOR.
 4. VERIFY ALL DIMENSIONS AND LOCATIONS WITH THE CONTRACTOR.
 5. VERIFY ALL DIMENSIONS AND LOCATIONS WITH THE CONTRACTOR.
 6. VERIFY ALL DIMENSIONS AND LOCATIONS WITH THE CONTRACTOR.
 7. VERIFY ALL DIMENSIONS AND LOCATIONS WITH THE CONTRACTOR.
 8. VERIFY ALL DIMENSIONS AND LOCATIONS WITH THE CONTRACTOR.
 9. VERIFY ALL DIMENSIONS AND LOCATIONS WITH THE CONTRACTOR.
 10. VERIFY ALL DIMENSIONS AND LOCATIONS WITH THE CONTRACTOR.

ARCTEC
 ARCHITECTURAL TECHNOLOGIES
 www.arctec.com
 1944 East Redwood Avenue, Building 1
 Phoenix, Arizona 85024
 1 800 963 2200 • 602 993 2200
 California
 19 Alhambra Boulevard, Suite 400
 San Jose, California 95131
 1 408 486 8878 • 408 486 8878

A Planning Department Submission for
COMMONWEALTH CORPORATE CENTER
 151 Commonwealth Drive and 161 Jefferson Drive
 Menlo Park, California 94025

SOBRATO

DATE	DESCRIPTION
08/20/2013	ISSUED FOR PERMITTING

OFFICE BUILDING
 EXTERIOR ELEVATIONS
A3.02
 PROJECT NO. 10294



**NOTICE OF PREPARATION
OF AN
ENVIRONMENTAL IMPACT REPORT
FOR THE
COMMONWEALTH CORPORATE CENTER PROJECT
CITY OF MENLO PARK
August 6, 2012**

Notice is hereby given that the City of Menlo Park will be the Lead Agency and will prepare an Environmental Impact Report (EIR) for the Commonwealth Corporate Center Project. The EIR will address the potential physical, environmental effects for each of the environmental topics outlined in the California Environmental Quality Act (CEQA). The City of Menlo Park is requesting comments on the scope and content of this EIR.

A Scoping Session will be held as part of the Planning Commission meeting on August 20, 2012 starting at 7:00 p.m. at the Menlo Park City Council Chambers located at 701 Laurel Street, Menlo Park, 94025. The Scoping Session is part of the EIR scoping process during which the City solicits input from the public and other agencies on specific topics that they believe should be addressed in the environmental analysis. Written comments on the scope of the EIR may also be sent to:

**Rachel Grossman, Associate Planner
City of Menlo Park
Community Development Department, Planning Division
701 Laurel Street
Menlo Park, CA 94025
rmgrossman@menlopark.org
Phone: 650.330.6737
Fax: 650.327.1653**

Due to the time limits mandated by State law, comments must be received no later than 5:30 p.m. September 5, 2012.

PROJECT LOCATION: The project site is located north of US 101 in the City of Menlo Park and zoned M-2 (General Industrial District). The project site consists of two parcels: the Commonwealth Site and the Jefferson Site. The Commonwealth Site, at 151 Commonwealth Drive (APN: 055-243-240), is approximately 12.1 acres. The Jefferson Site, at 164 Jefferson Drive (APN: 055-243-250), is directly adjacent to the Commonwealth Site to the north and is approximately 1.17 acres. The project site is bound to the north and west by commercial buildings, to the south by US 101, and to the southeast by the Dumbarton Rail Corridor.¹ To the east of the Dumbarton Rail Corridor is Joseph P. Kelly Park. The area is mainly urban, mixed with industrial, commercial, and residential uses. Figure 1 depicts the location of the proposed project.

¹ For the purposes of this analysis, true northeast is project north and US 101 runs in an east-west direction.

PROJECT DESCRIPTION: The Sobrato Organization (Project Sponsor) is proposing to demolish the existing buildings, surface parking, and landscaping on the Commonwealth Site and the Jefferson Site. The Commonwealth Site, which is in the southern portion of the project site, was formerly occupied by Diageo North America and was used as a spirits distilling, bottling, and distribution plant. Facility operations were discontinued on July 29, 2011 and the Commonwealth Site has remained unoccupied since. The Commonwealth Site consists of one single-story warehouse/manufacturing building, a tank farm, processing equipment areas, a 500,000-gallon fire suppression water tank, storage areas and warehouses, and associated parking and landscaped areas. The buildings at the Commonwealth Site total approximately 217,396 sf. The Jefferson Site, which is in the northern portion of the project site, consists of surface parking and a 20,462-square-foot warehouse/office building currently utilized for storage and light industrial uses.

The Commonwealth Site would accommodate the proposed buildings and amenities, while the Jefferson Site would provide secondary access for the Commonwealth Site as well as amenities space. The proposed project would demolish the existing buildings and associated improvements at the Commonwealth Site and the Jefferson Site and would construct two four-story office buildings with surfacing parking and landscaping. The proposed buildings, which would consist of approximately 259,919 square feet total (approximately 129,960 square feet each), would provide a flexible design for office, biotech, and/or research and development (R&D) uses.

As depicted in Figure 2, the Commonwealth Site would include a landscaped courtyard, water features, outside dining areas, signage, stormwater treatment areas, and an internalized pedestrian boulevard. The Jefferson Site would include an entrance and driveway from Jefferson Drive, a lawn area, bocce courts, picnic tables, stormwater treatment areas, and landscaping. New landscaping at the project site would make up approximately 35.6 percent of the project site. As part of the development proposal, the applicant is requesting approval to remove 12 heritage trees on the Commonwealth Site and 11 heritage trees on the Jefferson Site. The trees requested to be removed range in health from poor to fair.

The parking lot, which would be at the Commonwealth Site, would provide 866 parking stalls with a parking ratio of one stall per 300 square feet of building area. The proposed buildings would be located in the southern portion of the project site, adjacent to the main entrance off of Commonwealth Drive and would be visible from US 101. The proposed building façade would incorporate aluminum panels and high-performance glass set in aluminum frames. This façade would provide energy saving benefits for the buildings.

The proposed height of the buildings would exceed the 35-foot maximum height limit in the M-2 zone and a rezone to M-2-X (General Industrial, Conditional Development District) plus approval of a Conditional Development Permit would be required to exceed the height limit. In addition, a lot merger would be required to merge the Commonwealth Site and the Jefferson Site. The proposed structures would comply with zoning ordinance requirements pertinent to setbacks, floor area ratio and lot coverage.

PROJECT APPROVALS: The following approvals would be required by the City under the proposed project:

- Conditional Development Permit (CDP)
- Rezoning from M-2 (General Industrial District) to M-2-X (General Industrial, Conditional Development District)
- Heritage Tree Removal Permits
- Lot merger
- Environmental Review

RESPONSIBLE AGENCIES: The below agencies are expected to review the Draft EIR to evaluate the proposed project:

- Bay Area Air Quality Management District (BAAQMD)
- California Department of Transportation (Caltrans)
- California Regional Water Quality Control Board (RWQCB)/San Mateo Countywide Water Pollution Prevention Program
- City/County Association of Governments (C/CAG)
- Menlo Park Fire Protection District
- San Mateo County Transportation Authority (SMCTA)
- San Mateo County Environmental Health Division
- Town of Atherton
- West Bay Sanitary District

INTRODUCTION TO EIR: The purpose of an EIR is to inform decision-makers and the general public of the environmental effects of a proposed project. The EIR process is intended to provide environmental information sufficient to evaluate a proposed project and its potential to cause significant effects on the environment; examine methods of reducing adverse environmental impacts; and identify alternatives to the proposed project. The Commonwealth Corporate Center Project EIR will be prepared and processed in accordance with CEQA and the State CEQA Guidelines. The EIR will include the following:

- Summary of the proposed project and its potential environmental effects;
- Description of the proposed project;
- Description of the existing environmental setting, potential environmental impacts of the proposed project, and mitigation measures to reduce significant environmental effects of the proposed project;
- Alternatives to the proposed project;
- Cumulative impacts; and
- CEQA conclusions.

PROBABLE ENVIRONMENTAL EFFECTS: The EIR will analyze whether the proposed project would have significant environmental impacts in the following areas:

- | | |
|-----------------------------------|---------------------------------|
| • Aesthetics | • Hydrology and Water Quality |
| • Air Quality | • Noise |
| • Cultural Resources | • Population and Housing |
| • Geology and Soils | • Public Services and Utilities |
| • Greenhouse Gas Emissions | • Recreation |
| • Hazards and Hazardous Materials | • Transportation |

In order to prepare these sections and analyze the impacts, a Transportation Impact Analysis (TIA) will be prepared. The TIA will focus on intersections, residential and non-residential roadway segments, and Routes of Regional Significance, as shown in Figure 3. The following 27 intersections will be included in the TIA:

- | | |
|---|---|
| 1. Marsh Road/Bayfront Expressway | 15. Willow Road/Bayfront Expressway |
| 2. Marsh Road/Independence Drive | 16. Willow Road/Hamilton Avenue |
| 3. Marsh Road/US 101 NB Off-Ramp | 17. Willow Road/Ivy Drive |
| 4. Marsh Road/US 101 SB Off-Ramp | 18. Willow Road/O'Brien Drive |
| 5. Marsh Road/Scott Drive | 19. Willow Road/Newbridge Street |
| 6. Marsh Road/Bay Road | 20. Willow Road/Bay Road |
| 7. Marsh Road/Middlefield Road | 21. Willow Road/Durham Street |
| 8. Independence Road/Constitution Drive | 22. Willow Road/Coleman Avenue |
| 9. Chrysler Drive/Bayfront Expressway | 23. Willow Road/Gilbert Avenue |
| 10. Chrysler Drive/Constitution Drive | 24. Willow Road/Middlefield Road |
| 11. Chrysler Drive/Jefferson Drive | 25. University Avenue/Bayfront Expressway |
| 12. Chrysler Drive/Independence Drive | 26. Middlefield Road/Ravenswood Avenue |
| 13. Chilco Street/Bayfront Expressway | 27. Middlefield Road/Ringwood Avenue |
| 14. Chilco Street/Constitution Drive | |

In addition, 11 residential and non-residential roadway segments will be analyzed:

1. Marsh Road between Bohannon Drive and Scott Drive
2. Marsh Road between Bohannon Drive and Bay Road
3. Chrysler Drive between Constitution Drive and Bayfront Expressway
4. Chrysler Drive between Jefferson Drive and Constitution Drive
5. Chilco Street between Constitution Drive and Bayfront Expressway
6. Constitution Drive between Independence Drive and Chrysler Drive
7. Constitution Drive between Chrysler Drive and Jefferson Drive
8. Constitution Drive between Jefferson Drive and Chilco Street
9. Jefferson Drive between Chrysler Drive and driveway
10. Jefferson Drive between driveway and Constitution Drive
11. Independence Drive between Constitution Drive and Chrysler Drive

As listed above, the proposed project would be subject to review by the San Mateo County Congestion Management Program (CMP) and its requirements. As such, the following nine Routes of Regional Significance will also be evaluated:

1. SR 84: US 101 to Willow Road (NB)
2. SR 84: Willow Road to University Avenue (NB)
3. SR 84: University Avenue to County Line (SB)
4. SR 109: US 101 to Bayfront Expressway (EB)
5. SR 114: US 101 to Bayfront Expressway (EB)
6. US 101: North of Marsh Road (NB)
7. US 101: Marsh Road to Willow Road (SB)
8. US 101: Willow Road to University Avenue (NB)
9. US 101: South of University Avenue (SB)

The environmental impacts of the proposed project will be measured as the change that results from the project against “baseline” environmental conditions. The baseline environmental conditions for the proposed project include existing conditions at the release of this NOP.

ENVIRONMENTAL EFFECTS NOT LIKELY TO REQUIRE FURTHER ANALYSIS: The proposed project is not anticipated to result in significant environmental effects in the following areas:

- Agricultural or Forestry Resources
- Biological Resources
- Land Use
- Mineral Resources

The project site is fully developed in an urbanized area and located adjacent to US 101 and the Dumbarton rail corridor. As such, agricultural, forestry, biological, and mineral resources do not exist on the sites. In addition, the proposed project would require a CDP and zoning amendment to allow for an increase in height, but is otherwise consistent with land use designations. Therefore, a detailed analysis of these topics will not be included in the EIR.

ALTERNATIVES: Based on the significance conclusions determined in the EIR, alternatives to the proposed project will be analyzed that might reduce identified impacts. Section 15126.6(e) of the CEQA Guidelines requires the evaluation of a No Project Alternative. In addition to the No Project Alternative, the EIR will examine an Alternate Location Alternative and a Reduced Project Alternative. Other alternatives may be considered during preparation of the EIR and will comply with the CEQA Guidelines that call for a “range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project.”

EIR PROCESS: Following the close of the Notice of Preparation (NOP) comment period, a Draft EIR will be prepared that will consider all NOP comments. In accordance with CEQA Guidelines Section 15105(a), the Draft EIR will be released for public review and comment for the required 45-day review period. Following the close of the 45-day public review period, the City will prepare a Final EIR which will include responses to all substantive comments received on the Draft EIR. The Draft EIR and Final EIR and will be considered by the Planning Commission and City Council in making the decision to certify the EIR and to approve or deny the project.

Rachel Grossman, Associate Planner
City of Menlo Park

August 6, 2012

Date



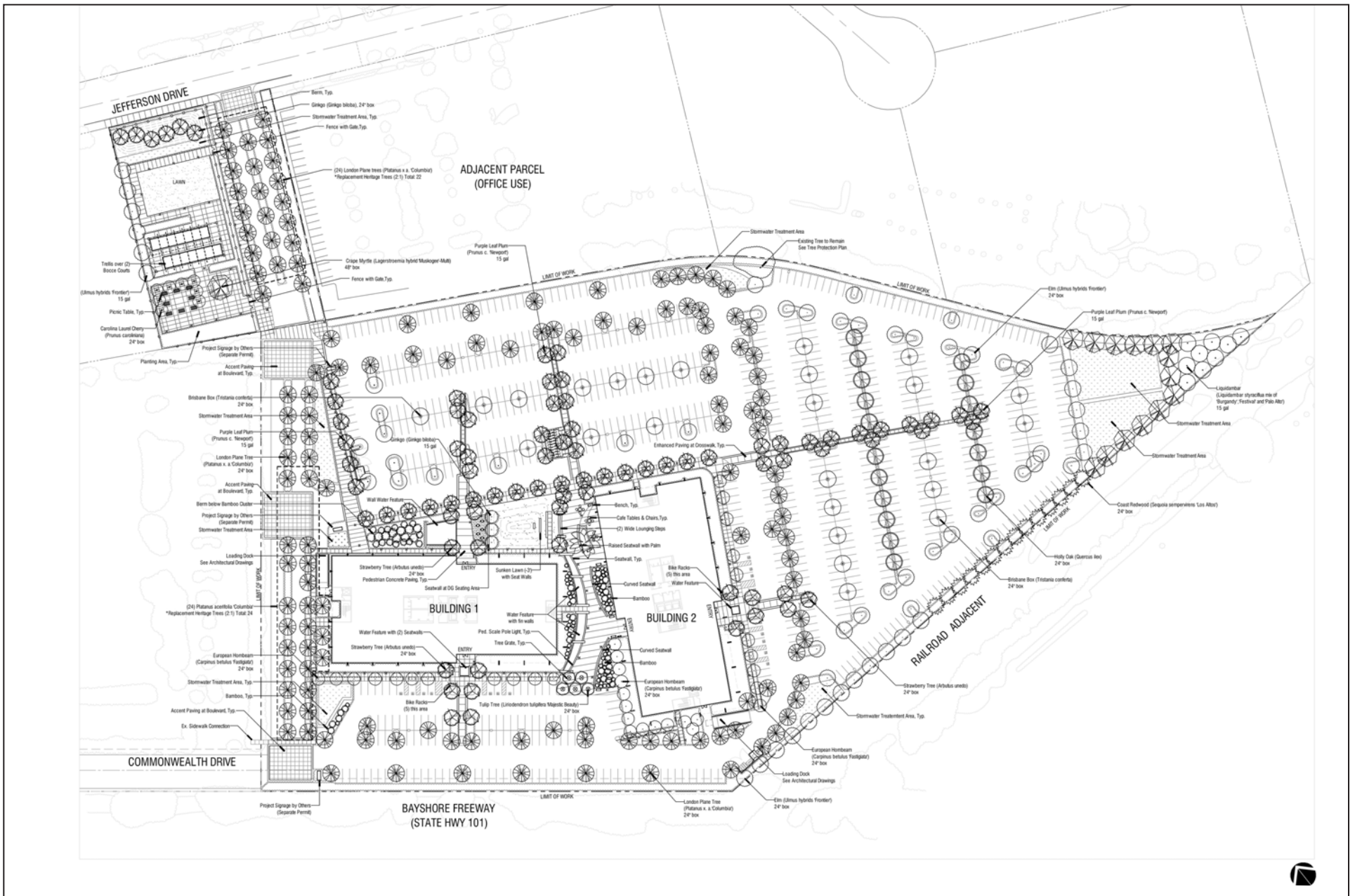
FIGURE 1
Project Location

Source: Google Earth; Atkins, 2012.

ATKINS

100028837

Commonwealth Corporate Center Project



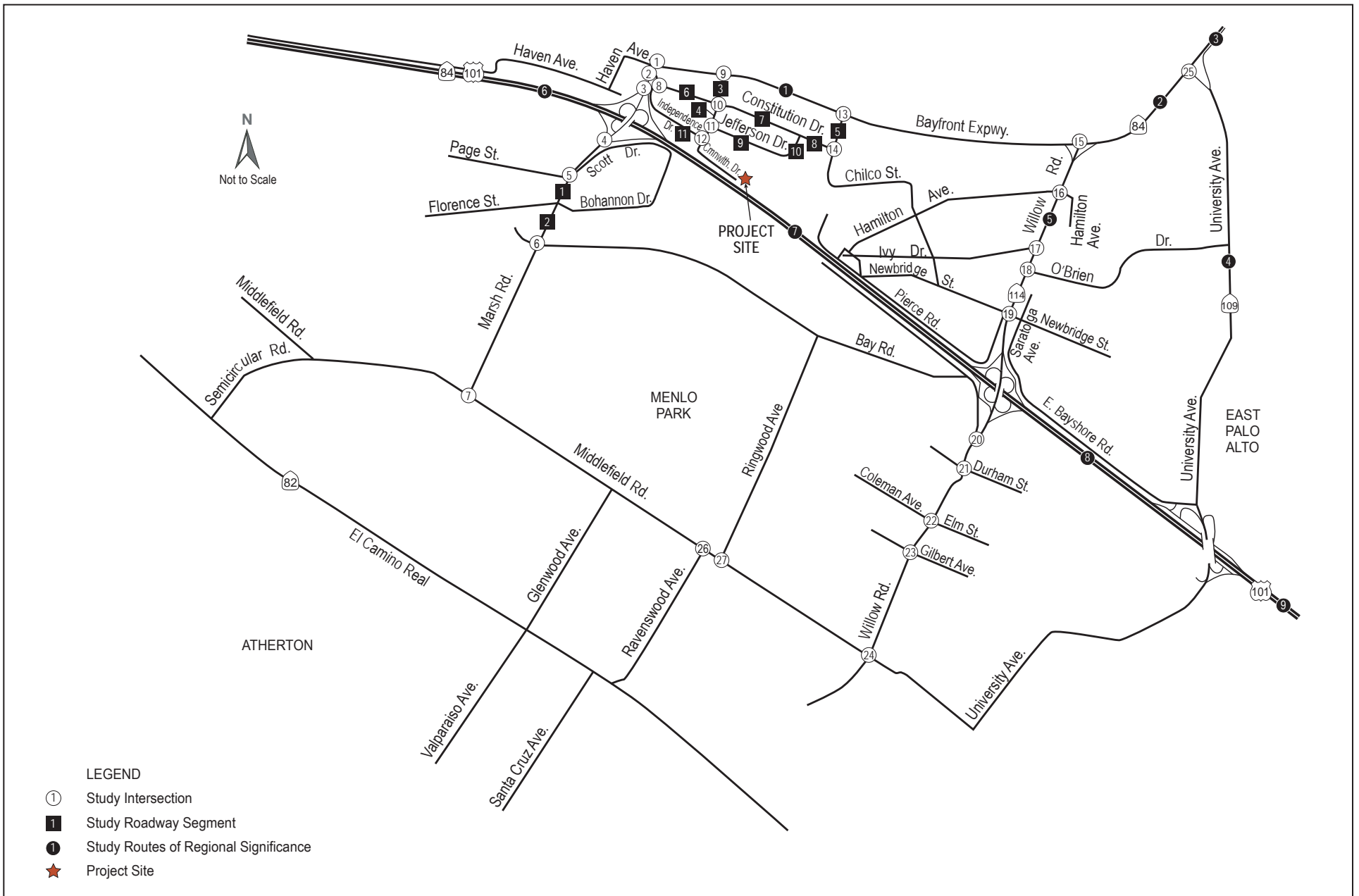


FIGURE 3
Study Intersections, Roadway Segments, and Routes of Regional Significance

Source: DKS, 2012.



PLANNING COMMISSION EXCERPT ACTIONS

Regular Meeting
 August 20, 2012 at 7:00 p.m.
 City Council Chambers
 701 Laurel Street, Menlo Park, CA 94025

Teleconference with participation by Commissioner Kadwany from:
 3334 E 1st Street
 Long Beach 90893
 (Posted: August 15, 2012)

CALL TO ORDER – 7:04 p.m.

ROLL CALL – Bressler, Eiref, Ferrick (Chair), Kadwany (Vice Chair – [via teleconference](#)), O'Malley, Riggs, Yu

INTRODUCTION OF STAFF – Rachel Grossman, Associate Planner; Kyle Perata, Assistant Planner; Thomas Rogers, Senior Planner

E. ENVIRONMENTAL IMPACT REPORT SCOPING SESSION

1. Review and comment on the Notice of Preparation (NOP) to identify the content of the Environmental Impact Report (EIR) to be prepared for the following project:

Conditional Development Permit, Rezoning, Lot Merger, Heritage Tree Removal Permits, Below Market Rate Housing Agreement, and Environmental Review/The Sobrato Organization/151 Commonwealth Drive and 164 Jefferson Drive: Request for a Conditional Development Permit and Rezoning from M-2 (General Industrial) to M-2(X) (General Industrial Conditional Development) to demolish one single-story industrial building and associated structures totaling approximately 217,396 square feet, and subsequently construct two four-story office/research and development buildings totaling approximately 259,919 square feet in excess of the M-2 maximum height of 35-feet. Access to the site would be from Commonwealth Drive, as well as from Jefferson Drive via 164 Jefferson Drive. Development on the 164 Jefferson Drive site would include demolition of the existing structure totaling approximately 20,462 square feet and associated improvements, and redevelopment of the site to provide access to the 151 Commonwealth Drive site and for use as an amenity space to serve the proposed structures on the 151 Commonwealth Drive site. As part of the development proposal, the applicant is requesting approval to remove 12 heritage trees on the 151 Commonwealth Drive site and 11 heritage trees on the 164 Jefferson site. The trees range in health from poor to fair. Project review includes preparation of an Environmental Impact Report per the requirements of the California Environmental Quality Act (CEQA) and preparation of a fiscal impact analysis.

[As a scoping item, the Commission did not take action on the item. Commissioners provided comments including the following:](#)

- [Housing](#)
 - [Provide information related to the impact of the project on housing](#)
 - [Consider inclusion of housing mitigation measures in EIR](#)
- [Alternatives](#)

- Consider an alternative that complies with the M-2 maximum height requirement of 35-feet
- Consider an alternative that contemplates re-occupation of the existing buildings
- Baseline
 - Explain logic for baseline of a vacant site
- Transportation
 - Confirmed that recently approved projects would be included in traffic background
 - Analyze the impact at Chilco Street and Bayfront Expressway
 - Analyze the impact at Chilco Street and Terminal Avenue
 - Analyze if there will be impact to the site immediately north of 151 Commonwealth Drive (149 Commonwealth Drive, Exponent)
 - Consider impacts to at Marsh/Highway 101 on-ramp
- Hydrology
 - Analyze how stormwater runoff will be managed
- Greenhouse Gas Emissions
 - Consider impacts related to heat island effect resulting from extensive parking lots
- Biological Resources
 - Consider impacts related to birds resulting from use of glass in the building design
- Hazards and Hazardous Materials
 - Analyze if there are still on-site contaminants resulting from the previous site use
- Noise
 - Consider potential for bounce-back noise from vehicles traveling on Highway 101 that could impact proximate residences

F. STUDY SESSION

1. Review and comment on the following project, which will include the preparation of a Fiscal Impact Analysis (FIA):

Conditional Development Permit, Rezoning, Lot Merger, Heritage Tree Removal Permits, Below Market Rate Housing Agreement, and Environmental Review/The Sobrato Organization/151 Commonwealth Drive and 164 Jefferson Drive: Request for a Conditional Development Permit and Rezoning from M-2 (General Industrial) to M-2(X) (General Industrial Conditional Development) to demolish one single-story industrial building and associated structures totaling approximately 217,396 square feet, and subsequently construct two four-story office/research and development buildings totaling approximately 259,919 square feet in excess of the M-2 maximum height of 35-feet. Access to the site would be from Commonwealth Drive, as well as from Jefferson Drive via 164 Jefferson Drive. Development on the 164 Jefferson Drive site would include demolition of the existing structure totaling approximately 20,462 square feet and associated improvements, and redevelopment of the site to provide access to the 151 Commonwealth Drive site and for use as an amenity space to serve the proposed structures on the 151 Commonwealth Drive site. As part of the development proposal, the applicant is requesting approval to remove 12 heritage trees on the 151 Commonwealth Drive site and 11 heritage trees on the 164 Jefferson site. The trees range in health from poor to fair. Project review includes preparation of an Environmental Impact Report per the requirements of the California Environmental Quality Act (CEQA) and preparation of a fiscal impact analysis.

As a study session item, the Commission did not take action on the item. Commissioners provided comments including the following:

- Amenity space
 - Bocce ball does not seem like the most appropriate amenity to provide, consider something more active

- Consider a walking/running path around the perimeter of the site
- Amenity spaces is not well connected and concerns were raised that it would not be used by employees
- Suggestion to move amenity space closer to buildings
- Parking/Transportation
 - Consider reducing parking through provision of some of the required parking spaces in landscape reserve
 - Reduced parking would minimize heat island effect
 - Transportation Demand Management Program should be provided
- Fiscal Implications
 - Consideration should be given to the types of uses that would provide best financial benefit to the City
 - A Development Agreement should be considered by the applicant
- Landscaping
 - Canopy trees should be provided
- Building Design
 - Height increase request was generally supported by the Commission
 - Building siting was generally supported by Commission

ADJOURNMENT

bae urban economics

April 9, 2012

Ms. Rachel Grossman, Associate Planner
Community Development Department
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

Dear Rachel:

We appreciate the opportunity to submit this revised proposal to prepare a Fiscal Impact Analysis for the 151 Commonwealth Drive Project. The revised proposal incorporates the changes recommended by the City. Our understanding is that the Project would entail the demolition of an existing industrial building (a former Diageo North America facility) and its replacement with two new four-story office/R&D/lab buildings that would total approximately 237,000 square feet. The City of Menlo Park requires a Fiscal Impact Analysis study that would address impacts to the City's General Fund, as well as Special Districts, including the Menlo Park Fire Protection District. Impacts from potential sales tax generation from future tenants in the project would also need to be evaluated.

BAE is an award-winning real estate economics and development advisory firm with a distinguished record of achievement over its 20-year history. Headquartered in Emeryville, CA, BAE also has branch offices in Los Angeles, Sacramento, New York City, and Washington DC, enabling our 20 staff to contribute to and learn from best practices in urban sustainable development around the U.S. Our practice spans national and state policy studies to local strategic plans and public-private development projects. BAE has extensive experience assessing the fiscal impacts and economic impacts of proposed new development, including our previous work for the City of Menlo Park, as well as assisting local governments to negotiate for community benefits from proposed new development.

The following pages detail our proposed work program, schedule, and budget. This proposal remains effective for 90 days from the date of submittal of this letter. Please feel free to call me at 510.547.9380 for additional information regarding our submittal.

Sincerely,



Ron Golem
Principal

San Francisco
1285 66th Street
Second Floor
Emeryville, CA 94608
510.547.9380

Sacramento
803 2nd Street
Suite A
Davis, CA 95616
530.750.2195

Los Angeles
5405 Wilshire Blvd.
Suite 291
Los Angeles, CA 90036
213.471.2666

Washington DC
1346 U Street NW
Suite 403
Washington, DC 20009
202.588.8945

New York City
121 West 27th Street
Suite 705
New York, NY 10001
212.683.4486

SCOPE OF SERVICES

This section outlines BAE's proposed work program, including deliverables.

Task 1: Meet with City Staff and Review Background Materials

Task 1A: Meet with City staff and tour project sites. BAE will meet with City staff to review the scope of services, proposed schedule, and deliverables. BAE will also tour the site and area.

Task 1B: Review key financial, planning, and environmental documents. This task will include a review of relevant documents and plans pertaining to the proposed project including the General Plan, the Zoning Ordinance, the project Environmental Impact Report, and City staff reports. BAE will also review the City budget, the Comprehensive Annual Financial Report, City fee ordinances, and other financial documents from the City and affected special districts including fire, sanitation, and school districts.

Task 2: Analyze Fiscal Impacts

This analysis will consider revenue and cost implications for City, Menlo Park Fire Protection District, and affected special districts and school districts of the proposed project and alternative land use programs as identified in the EIR.

Revenue items considered will include sales tax, property tax, property transfer tax, transient occupancy tax, business license revenue, franchise fees, and any other applicable taxes. Also considered will be one-time revenue sources including impact fees, and construction period sales taxes. For key revenues, (e.g., property taxes) BAE will estimate revenues within an expected low to high range as appropriate.

Cost items considered will include police, fire, public works, recreation and library services, and general government services. The cost analysis will, whenever feasible, study the marginal cost of providing additional service. As part of this process, BAE will contact local public service providers including the police department and Fire Protection District to assess existing service capacity and the potential impact of the proposed project. For police, BAE will work with the local department to examine the current beat structure and determine how this may need to be altered to serve the new development. Any new patrol officers and/or equipment would also be analyzed on a marginal basis. For fire, BAE will study existing capacity at the station that would serve the proposed project and assess any additional labor or equipment costs that the station would incur. Cost impacts for other city departments and school districts would also be analyzed.

Fiscal impacts will be presented in current dollars on a net annual and cumulative basis over a 20-year period present in constant 2012 dollars. This will be done both for the Project and the Alternatives as identified in the future Notice of Preparation, assuming no more than three Alternatives (in addition to the "No Project" alternative). The analysis will be structured to allow direct comparison between the Project and the Alternatives. To

determine an appropriate absorption rate for the various proposed land uses, BAE will review the project applicant's anticipated absorption schedule and refine it based on a review of market conditions.

During the preparation of the FIA, all communication with the project sponsor would be with or through City staff.

Task 3: Prepare Specialized Supplementary Analyses

Task 3A: Analysis of Sales Tax Generation Potential from Alternate Uses. This task involves analysis of potential business-to-business sales tax generation from various alternative mix of tenants in the Project. The analysis will involve review of updated Menlo Park confidential sales tax data and business license data provided by the City to assess typical sales tax generation in Menlo Park from non-retail sales by various types of high-tech firms. This will be compared with previous analysis by BAE of State Board of Equalization (BOE) data on taxable sales generation per employee in high tech firms in San Mateo and Santa Clara County. Information provided by the Project applicant regarding its anticipated marketing strategy and targeted tenant mix will also be evaluated. BAE will use the information generated from these sources to project, to the extent possible based on available data, the potential mix of sales-tax paying vs. non-sales tax paying tenants in the Project and Alternatives, accounting for the potential mix of tenant types and tenant size, in order to estimate how the range of sales tax revenue might vary based on the development program for the Alternatives, as well as the tenant mix in the Project.

Task 4: Prepare Fiscal and Economic Impact Report

Task 4A: Prepare Administrative Draft Fiscal and Economic Impact Analysis report. BAE will prepare and submit an Administrative Draft Fiscal Impact Analysis report to City staff. The report will include a concise and highly-accessible executive summary, including a summary of the methodology and key findings from Tasks 1 and 2.

Task 4B: Prepare Public Review and Final Draft report. Staff will provide written comments to BAE regarding the Administrative Draft. BAE will address all comments with staff and make modifications as needed. BAE will then submit a Screen Check Draft for staff to review. Staff will note any minor corrections and BAE will submit a Public Review Draft.

Task 4C: Prepare Presentation, Attend Two Meetings. This task includes preparation of a PowerPoint presentation for use by staff, BAE, and posting to the City's website. BAE will attend up to two meetings to present its findings during the public comment period, anticipated to be a Planning Commission and City Council meeting.

After closure of the public review period, Staff will provide BAE with a written record of comments regarding the Public Review Draft. BAE will discuss comments with City staff and make changes as necessary. BAE will then submit a Final Draft.

DATA NEEDS

In order to complete this analysis BAE will require access to various City and special district staff to conduct brief interviews and confirm methodologies and assumptions. In particular, BAE would intend to speak with most department/district heads, or their designees, as well as the City finance director. BAE would work with the finance department to obtain electronic copies of relevant budget files.

From the project sponsor, BAE will need development pro formas, market studies, and marketing plans, including pricing assumption. BAE will also require updated information from the EIR consultant, including information on the alternative land uses being considered under the EIR.

In addition to data from the City and project sponsor, BAE will need to acquire market, demographic, and other data from vendors. A budget for these materials is included below.

BUDGET AND FEES

BAE would complete all work identified in the Scope of Services, including expense reimbursement, for the not-to-exceed amount of \$41,910. Please note that attendance at public meetings/hearings is calculated at the rate of \$1,500 for up to three hours of meeting time, with hourly rates for all meeting time over three hours, as well as additional meetings beyond those set forth in the scope. All hours will be billed according to the following rates as listed below.

Principal	\$250/hour
Associate	\$110/hour
Analyst	\$90/hour

Shown below is a project staffing plan and estimated cost per task. Ron Golem will serve as Principal in Charge and Project Manager for this assignment, assisted by Stephanie Hagar, Associate, and Mikayla Weissman, Analyst.

Budget - 151 Commonwealth Dr. Fiscal Impact Analysis

Task	Hours by Person			Budget (a)
	Principal Golem	Associate Hagar	Analyst Weissman	
Task 1: Start-Up Meeting and Review of Background Materials				
Task 1A: Meet with City Staff, Project Team, Tour Project Site	4	4	4	\$1,800
Task 1B: Review Key Financial, Planning, and Environmental Documents	8	16	0	\$3,760
Task 2: Fiscal Impact Analysis for Project, Alternatives				
Task 2: Analyze the Fiscal Impact of the Proposed Project/Alternatives	16	60	40	\$14,200
Task 3: Prepare Specialized Supplementary Analyses				
Task 3A: Analysis of Sales Tax Generation Potential from Alternate Uses	8	16	8	\$4,480
Task 4: Prepare Fiscal Impact Analysis Report				
Task 4A: Prepare Administrative Draft Report.	16	40	8	\$9,120
Task 4B: Prepare Screen Check, Public Review, and Final Draft Report	8	16	8	\$4,480
Task 4C: Prepare Presentation, Attend Two Meetings	14	2	0	\$3,720
Subtotal Labor	74	154	68	\$41,560
Expenses (data, travel, etc.) (b)				\$350
Total				\$41,910

Attendance at Public Meetings/Hearings - per meeting, up to a maximum of 3 hours meeting time for each meeting. \$1,500
Hourly rates would apply for additional time over that amount, or additional meetings.

Notes:	Principal	Associate	Analyst
(a) Based on BAE 2012 hourly rates:	\$250	\$110	\$90
(b) Includes travel to Menlo Park for Kick-Off Meeting and data purchase from vendors.			

THIS PAGE INTENTIONALLY LEFT BLANK



COMMUNITY SERVICES DEPARTMENT

Council Meeting Date: September 18, 2012

Staff Report #: 12-141

Agenda Item #: I-1

INFORMATION ITEM: Belle Haven Afterschool Program Cost Recovery Update

This is an information item and does not require Council action.

BACKGROUND

Following the loss of RDA funds, City staff had proposed a number of recommendations to address the loss of funds for FY 2012-13. During the City Council's Study Session on January 30, 2012, the City Council expressed interest in merging the Belle Haven Afterschool Program (BHAS) with the Boys and Girls Club of the Peninsula's program (BGCP) held at Belle Haven School as they were similar services. Council gave direction to Community Services staff to explore a possible shared services arrangement with the BGCP. After initial meetings with the BGCP, it was determined by staff that an effective merger might be possible. City staff conducted a survey of program participants and developed a cost estimate for the City in the event the BGCP program absorbed the children currently being served in the BHAS program.

During the City Council Meeting on May 22, 2012, City staff presented the results of the participant survey and potential budget impacts for the program merger. A program comparison as well as the participant survey results indicated that the merger proposal had some weaknesses, which was reinforced by the public comment that was received at the meeting. Residents expressed that the BGCP program would not adequately meet the needs of their children and were concerned about the elimination of the BHAS. Parents also indicated that more outreach to the community was needed. By consensus, the City Council suspended implementation of the cost-reduction strategy to merge the BHAS and BGCP programs. The City Council directed staff to better engage parents and work with them to develop a recommendation for improved program cost recovery to be considered in the next budget cycle. Council directed that this recommendation include methods to improve cost recovery to the level indicated in the City's cost recovery policy.

ANALYSIS

Following the May City Council meeting and prior to the end of the school year in June 2012, parents of the BHAS program formed a Parent Advisory Committee (PAC) and elected their officers. During the summer, the parents began the work of fundraising for the BHAS program and held three small fundraisers which included two co-sponsored

by Jamba Juice and one with Chucky Cheese Pizza. The fundraisers were well received by the other parents, friends and neighbors of the program.

In August 2012, City staff began the work of developing cost recovery proposals for the program to present to parents for discussion and their feedback (see Attachment A). The ultimate goal of these proposals is to achieve the necessary cost recovery as outlined by the City Council's fiscal policy. The cost recovery range for the BHAS program is 30-70%. In recent years the program has achieved between 17-18% which is far below what City policy requires. Given the program's level of high community benefit, 30% cost recovery has become the program's target cost recovery goal.

On September 6, 2012, City staff met with parents from the program to present the cost recovery proposals and to discuss them and any other ideas that parents had for improved cost recovery. Here is a summary of the meeting and the parent feedback on the proposals:

Parent Feedback on Proposals:

At the meeting parents were presented some background information on the need to address program cost recovery and a framework for the discussion which is contained in the "Givens" (see Attachment A). The discussion was productive with parents sharing their concerns and ideas for what proposals were acceptable and which ones were not. More importantly, parents expressed an understanding of the problem and a desire to be a part of the solution. Here are some of the highlights of the meeting:

- Parents thought proposals # 2 and # 3 were more desirable, which included raising program fees and managing the problem with a combination approach that focused on reducing costs, increasing partnerships and identifying alternative funding sources. In the discussion, parents suggested that a 125% increase would be cost prohibitive but perhaps a 50% or \$30 increase from the lowest rate might be manageable. Parents expressed a desire to survey current parents on their willingness and ability to pay more. Parents expressed an eagerness to continue with fundraising through the Parent Advisory Committee and needed more clarification on direct donations they received from businesses and ones that are granted directly to the City.
- Proposals # 4 and # 5 were the least desirable, as parents had expressed much concern over combining the BHAS program with the Boys & Girls Club program. Parents did not feel that the Boys & Girls Club program met their needs and were concerned with the level of supervision, safety, transportation and other programmatic issues.
- Proposal # 1 was discussed and parents expressed a concern over the consistency of staffing and having a regular permanent Teacher was highly desired.
- In the discussion about fees, parents thought that if the non-resident fee was eliminated the program may be able to attract more families who have the ability to pay. Also, parents suggested that a separate fee for some program components such as "trips" could be charged which would help to reduce the program's costs.

- Parents thought there should be greater marketing for the program which includes increased collaboration with Tinsley Program participants. Parents wanted to investigate making the BHAS Program one of the Tinsley Program's bus stops since a number of Tinsley kids are served in the program.

Next Steps:

1. The Parent Advisory Committee (PAC) in coordination with City staff will survey parents of the BHAS program on the ability and willingness to pay more for the program in order to determine a fee threshold that is acceptable.
2. The PAC will further organize and schedule regular meetings for themselves and other interested parents to attend.
3. The PAC will identify and solicit potential funders and partners to replace the 13,000 Homework Grant that was eliminated. The Homework Grant represents 25% of the program's projected revenue for this fiscal year.
4. The PAC will organize and implement at least one high impact fundraising event in the fall which will benefit the program.
5. The City Council will be updated during its January study session on the progress made toward improved cost recovery and parent engagement.

Signature on file

Derek Schweigart
Social Services Manager

PUBLIC NOTICE: Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

ATTACHMENTS:

- A. BHAS Cost Recovery Proposals

Belle Haven After School (BHAS) Cost Recovery Proposals

Givens:

1. 30% cost recovery target based on the City's fiscal policy of 30-70% cost recovery for similar programs. To achieve the 30% cost recovery target, the program would need to generate \$73,080 in revenue or an increase of \$36,698 based on the current program budget of \$243,298. Alternatively, the current projected revenue of \$36,382 would require a decrease of \$122,298 from the current budget.
2. Any increase in user fees must be approved by City Council.
3. Staff-Participant ratios must meet or exceed Title 22 licensing requirements or industry standard for a day care provider which is 1:14.
4. \$13,000 Homework Grant has been eliminated by the County for FY 2012-13 which has created a further revenue deficit for the BHAS program.
5. Parent Advisory Committee must comply with all City policies regarding program fundraising and has sole authority for how money raised will be spent to benefit the program.

Proposals:

1. Change staffing model for BHAS to operate with part-time temporary teachers instead of with a permanent teacher position.

Pros

- The BHAS program would achieve 20.5% cost recovery target taking into account the County's elimination of the \$13,000 Homework Grant.
- If alternative funding for the \$13,000 County Homework Grant is identified, the cost recovery with this proposal would be 28%.
- The change in staffing model would provide a significant improvement in program cost recovery and move it in the right direction.

Cons

- Potential for lost continuity with staffing as part-time employees are limited to 1,000 hours per year.
 - May result in reduced administrative and customer service support for the program.
 - An additional \$17,000 in revenue would need to be identified or alternatively an additional \$56,360 would need to be cut from program budget to achieve the 30% cost recovery target.
2. Increase monthly participant fees by 0-125% or \$1-\$81 from the current extremely low fee of \$64.25/month which is what most participants pay (see chart

below). In order to achieve the 30% cost recovery target the monthly fee would need to be \$145/month with 56 registered participants. A pricing threshold must be determined based on the ability and willingness of parents to pay which will determine the effectiveness of this alternative.

School Year	Fall 2009	63 Total	Fall 2010	55 Total	Fall 2011	40 Total	Fall 2012	48 Total	Fall 2012 Kinders	9 Total
Extreme low Income	\$42	32	\$60	43	\$60	33	\$64.25	40	\$83.50	4
Extreme low Non-Res	\$57	19	\$81	-	NR Full Cost	-	NR Full Cost	-	NR Full Cost	-
Very Low	\$84	7	\$100	8	\$100	6	\$107	6	\$139	5
Very Low Non -Res	\$113	2	\$135	-	NR Full Cost	-	NR Full Cost	-	NR Full Cost	-
Low	\$126	-	-	-	-	-	-	-	-	-
Low Non-Res	\$170	-	-	-	-	-	-	-	-	-
Full Cost	\$386	3	\$450	3	\$450	0	\$482	1	\$737.50	0
Full Cost Non-Res	\$521	-	\$607	1	\$607	1	\$651	1	\$995.60	0

Pros

- The BHAS program would achieve the 30% cost recovery target if current enrollment of 56 participants is met and fees were increased 125%.
- No other program reductions or changes would be necessary.

Cons

- An increase by 125% or \$81 would likely result in reduced participation in the program as demand for the program will be negatively impacted because parents will be unable / unwilling to pay beyond a certain price point. For example, when non-residents rates were increased to reflect the City's non-resident rate requirement enrollment declined dramatically.
- A reduction in participation would result in reduced revenue and decreased cost recovery.

3. Combination approach that includes eliminating or reducing program components, increasing staff-participant ratios, identifying alternative funding sources, and partnering more closely with Beechwood School and Tinsley program to increase enrollment.

Pros

- This proposal would attempt to limit impacts to users using a diversified approach to addressing cost recovery.
- Successfully identifying partnerships and alternative funding sources could limit the impact on users while improving cost recovery.
- The program's parent association could potentially raise funds that could help to offset reductions to program components such as trips and supplies. The budget for trips and supplies together is \$6,000.

Cons

- This proposal involves further reductions to part-time staff and the elimination of the trips as a component of the program. The identified savings is approximately \$9,000 which is minimal and will have little or no impact on cost recovery.
- The elimination of the \$13,000 Homework Grant resulted in a 25% decrease in program revenue at the beginning of the fiscal year. This further weakened the program's cost recovery projection.
- While the desire to increase enrollment and revenue through partnerships is appealing it does not identify any specific cost savings or revenue generation.

4. One proposal that was developed for consideration last fiscal year was a shared services model that merges the BHAS program with the Boys and Girls Club of the Peninsula (BGCP).

Pros

- The program would save at least \$100,000 while preserving permanent staff positions through reassignment.
- The BGCP program charges \$25/year for their program which would be a cost savings for parents.
- Eliminates any duplication of programming through shared services model while improving partnerships with organizations in the neighborhood with similar goals.

Cons

- The BGCP program is not a licensed program.
- The BGCP program does not provide motorized transportation from school locations to the program as does the BHAS program as it currently serves the Belle Haven School location.
- Parents concern about staff-participant ratios with BGCP and participant supervision and safety.

5. Another proposal under consideration last fiscal year was the elimination of the BHAS program altogether.

Pros

- The City of Menlo Park would save at least \$160,000 if the permanent staff positions were preserved through reassignment.

Cons

- If other options are not identified, 56 children and their families would need to identify other child care options.
- Other than the BGCP program there are no affordable child care options available for families in the area.

THIS PAGE INTENTIONALLY LEFT BLANK