



**CITY COUNCIL  
REGULAR MEETING AGENDA**

Tuesday, November 13, 2012

7:00 p.m.

Menlo Park Council Chambers  
701 Laurel Street, Menlo Park, CA 94025

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**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.** Environmental Quality Commission quarterly report on the status of their 2-year Work Plan

**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.** Adopt a resolution accepting dedication of a public access easement and a public utility easement at 135-139 O’Connor Street; Authorize the City Clerk to sign the parcel map; and authorize the City Manager to sign the subdivision agreement ([Staff report #12-165](#))

**D2.** Adopt a resolution accepting dedication of a public access easement and authorize the City Manager to sign the Certificate of Acceptance for the 1706 El Camino Real Frontage Improvements Project ([Staff report #12-166](#))

**D3.** Authorize the City Manager to Execute a New Proposal to an Existing Agreement with Pacific Gas and Electric Company to Replace Existing Streetlights with LED Fixtures in an Amount Not to Exceed \$47,129 for Energy Efficiency and Conservation Block Grant Phase 2 Funding; to Appropriate \$49,629 from the General Fund CIP Fund Balance in FY 12-13; and to Execute Future Proposals with Pacific Gas and Electric Company to Replace Existing Streetlights with LED Fixtures for Future Energy Efficient and Conservation Block Grant Funding ([Staff report #12-173](#))

**D4.** Approve an additional .25 full time equivalent to create one full-time Office Assistant for the Arrillaga Family Gymnasium and approve an increase of \$7,000 to the Public Works Building Maintenance Fund for increased custodial services at the new Arrillaga Recreation Facilities ([Staff report #12-167](#))

**D5.** Accept the minutes of the June 5 and October 30, 2012 Council meetings ([Attachment](#))

**E. PUBLIC HEARING**

**E1.** Adopt an interim ordinance of the City Council of the City of Menlo Park extending the temporary moratorium on the establishment of payday lenders and auto title lenders within the City of Menlo Park ([Staff report #12-163](#))

**F. REGULAR BUSINESS**

**F1.** Approve a purchase and sale agreement with Greenheart Land Company for the sale of property owned by the former Redevelopment Agency located at 777-821 Hamilton Avenue and authorize the Executive Director of the Successor Agency to execute the agreement ([Staff report #12-172](#))

**Note:** The City Council will be acting as the Board of the Successor Agency of the Community Development Agency for Item F1

**F2.** Consider Submitting a Letter of Interest to the San Mateo County Transportation Authority for Measure A Eligible Grade Separation Projects in Menlo Park ([Staff report #12-174](#))

**F3.** Appoint a Councilmember representative and alternate to the Caltrain Modernization Local Policymaker Group ([Staff report #12-171](#))

**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.** Biannual update of schedules for Capital Improvement Projects ([Staff report #12-169](#))

**I2.** Quarterly financial review of General Fund operations as of September 30, 2012 ([Staff report #12-168](#))

**I3.** Review of the City's investment portfolio as of September 30, 2012 ([Staff report #12-170](#))

**I4.** Quarterly update on Council goals and deliverables ([Staff report #12-164](#))

**I5.** Update on the Draft Housing Element submitted to the State Housing and Community Development Department ([Staff report #12-175](#))

**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: 11/08/2012)

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](mailto: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](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

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# PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 13, 2012

Staff Report #: 12-165

Agenda Item #: D-1

**CONSENT CALENDAR:** Adopt a Resolution Accepting Dedication of a Public Access Easement and a Public Utility Easement at 135-139 O'Connor Street; Authorize the City Clerk to Sign the Parcel Map; and Authorize the City Manager to Sign the Subdivision Agreement

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## RECOMMENDATION

Staff recommends that City Council adopt a resolution accepting dedication of a Public Access Easement and a Public Utility Easement at 135-139 O'Connor Street; authorize the City Clerk to sign the parcel map; and authorize the City Manager to sign the subdivision agreement.

## BACKGROUND

On November 7, 2005, the Planning Commission approved the tentative map for a two-lot subdivision project at 135-139 O'Connor Street. However, the parcel map was never recorded and the tentative map expired after two years.

On January 14, 2008, the Planning Commission, as per the applicant's request, approved a two-year extension on the tentative map and the expiration date of the map was extended to January 2010.

The expiration date for the tentative map was further extended to January 2012 and January 2014 by State Assembly Bill No. 333 and Assembly Bill No. 208 respectively.

The applicant proposed to subdivide a 20,394 square-foot lot into two new standard-sized parcels. The proposed front parcel would be approximately 9,439 square feet in size and the area for the proposed rear parcel would be approximately 10,955 square feet and it would be considered a panhandle lot. As a condition of approval, the applicant was required to dedicate public easements in order for the applicant to install a public sidewalk and public utilities.

## ANALYSIS

There are no existing frontage improvements along the subject property frontage; however, a number of properties along the same side of the street as the subject property have existing curb, gutter and sidewalk along their frontages.

The City's intention is a continuous curb, gutter and sidewalk along O'Connor Street and therefore required the applicant to install the improvements (curb, gutter and sidewalk) along the property frontage as part of the proposed subdivision project.

In order to install the required frontage improvements and properly align the new improvements with the existing improvements, the applicant was required to dedicate a five-foot wide section of land along the entire property frontage for public use as a public access easement (P.A.E.) and public utility easement (P.U.E.).

The applicant has agreed to dedicate the required easements to the City for public use and submitted a parcel map including the required dedication. The easement dedications are shown in Attachment B.

The conditions of approval for this project include a requirement that, prior to recordation of the parcel map, the applicant shall install the required public improvements or post an equivalent bond for the construction of the improvements. The applicant elected to post a bond for the requirement. In the case of posting a bond for the required public improvements, the City requires the applicant to enter into a Subdivision Agreement with the City. The Subdivision Agreement is a contract between the applicant and the City that guarantees the construction of all required public improvements and requires a completion bond as a financial guarantee that all work will be completed. The Subdivision Agreement and Bonds are shown in Attachment C.

## **IMPACT ON CITY RESOURCES**

The staff time costs associated with review and acceptance of the easement dedications, and the review and approval of the subdivision agreement is fully recoverable through fees collected from the applicant.

## **POLICY ISSUES**

There are no specific policy issues with this action.

## **ENVIRONMENT REVIEW**

The project is categorically exempt under Class 15 (Section 15315, "Minor Land Divisions") of the current California Environmental Quality Act (CEQA) Guidelines.

Signature on File  
Roger K. Storz  
Senior Civil Engineer

Signature in File  
Fernando Bravo  
Engineering 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. Resolution
- B. Parcel Map showing easements
- C. Subdivision Agreement and Bonds

**RESOLUTION NO.**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ACCEPTING DEDICATION OF A PUBLIC ACCESS EASEMENT AND A PUBLIC UTILITY EASEMENT AND AUTHORIZING THE CITY CLERK TO SIGN THE PARCEL MAP FOR 135-139 O'CONNOR STREET AND AUTHORIZE THE CITY MANAGER TO SIGN THE SUBDIVISION AGREEMENT**

WHEREAS, the applicant proposed to subdivide a 20,934 square-foot lot into two new standard-sized lots; and

WHEREAS, there are no existing frontage improvements along the subject property frontage; and

WHEREAS; as a condition of approval, the applicant was required to dedicate public easements in order to install public sidewalk and public utilities; and

WHEREAS, the Parcel Map for 135-139 O'Connor Street shows the dedication of a Public Access Easement and a Public Utility Easement along O'Connor Street.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby accepts the required Public Access Easement and Public Utility Easement as shown on the Parcel Map attached hereto as Exhibit A and incorporated herein by this reference; and

BE IT FURTHER RESOLVED that the City Council authorizes the City Clerk to sign the Parcel Map for said easements.

I, Margaret S. Roberts, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on this thirteenth day of November, 2012, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Margaret S. Roberts, MMC  
City Clerk

OWNERS STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF OR HAVE SOME RIGHT, TITLE OR INTEREST IN AND TO THE REAL PROPERTY INCLUDED WITHIN THE SUBDIVISION SHOWN UPON THIS MAP, AND WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID PROPERTY, AND WE HEREBY CONSENT TO THE MAKING AND FILING OF SAID MAP AND SUBDIVISION AS SHOWN WITHIN THE DISTINCTIVE BORDER LINE.

WE HEREBY DEDICATE FOR PUBLIC USE THOSE AREAS SHOWN AS P.A.E. (PUBLIC ACCESS EASEMENT) AND P.U.E. (PUBLIC UTILITY EASEMENT) AS SHOWN ON THIS MAP WITHIN SAID SUBDIVISION. EASEMENT AREAS SHALL BE KEPT OPEN AND FREE FROM BUILDINGS AND STRUCTURES OF ANY KIND.

OWNERS: YAHYA G HAMADANI AND ROYA S. HAMADANI, CO-TRUSTEES OF THE HAMADANI FAMILY TRUST DATED DECEMBER 17, 2003

BY: \_\_\_\_\_  
YAHYA G. HAMADANI ROYA S. HAMADANI

TRUSTEE: FIDELITY NATIONAL INSURANCE COMPANY

BY: \_\_\_\_\_

STATE OF CALIFORNIA  
COUNTY OF SAN MATEO

ON \_\_\_\_\_, 201\_\_\_\_ BEFORE ME

\_\_\_\_\_, PERSONALLY APPEARED

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES) AND BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSONS(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FEREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE \_\_\_\_\_

PRINTED NAME OF NOTARY \_\_\_\_\_

PRINCIPAL COUNTY OF BUSINESS \_\_\_\_\_

COMMISSION EXPIRES: \_\_\_\_\_

COMMISSION # OF NOTARY \_\_\_\_\_

STATE OF CALIFORNIA  
COUNTY OF SAN MATEO

ON \_\_\_\_\_, 201\_\_\_\_ BEFORE ME

\_\_\_\_\_, PERSONALLY APPEARED

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES) AND BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSONS(S) ACTED, EXECUTED THE INSTRUMENT.

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WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE \_\_\_\_\_

PRINTED NAME OF NOTARY \_\_\_\_\_

PRINCIPAL COUNTY OF BUSINESS \_\_\_\_\_

COMMISSION EXPIRES: \_\_\_\_\_

COMMISSION # OF NOTARY \_\_\_\_\_

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF YAHYA G. HAMADANI ON FEBRUARY 9, 2012. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, IF ANY, AND THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED AND ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

DATE \_\_\_\_\_  
HARRY BABICKA L.S. 4953  
LICENSE EXPIRES DECEMBER 31, 2013

CITY SURVEYOR'S STATEMENT

I, MICHAEL J. MIDDLETON, CITY SURVEYOR FOR THE CITY OF MENLO PARK, DO HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND I AM SATISFIED THAT THE SURVEY DATA SHOWN THEREON IS TECHNICALLY CORRECT.

DATE: \_\_\_\_\_  
MICHAEL J. MIDDLETON, R.C.E. 29485  
CITY SURVEYOR, CITY OF MENLO PARK

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND HAVE FOUND THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS THEREOF; THAT THE MAP CONFORMS TO CHAPTER 2 OF THE SUBDIVISION MAP ACT; AND THAT THE MAP COMPLIES WITH LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP.

DATE: \_\_\_\_\_  
FERNANDO G. BRAVO, R.C.E. # 64366  
CITY ENGINEER,  
CITY OF MENLO PARK

CITY CLERK'S STATEMENT

I, MARGARET S. ROBERTS, CITY CLERK AND EX-OFFICIO CLERK OF THE CITY COUNCIL OF MENLO PARK, STATE OF CALIFORNIA HEREBY CERTIFY THAT SAID COUNCIL, BY RESOLUTION ADOPTED AT A REGULAR MEETING ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_\_\_, DID ACCEPT ON BEHALF OF THE PUBLIC, ALL EASEMENTS AS OFFERED FOR PUBLIC USE.

DATE: \_\_\_\_\_  
MARGARET S. ROBERTS  
CITY CLERK AND EX-OFFICIO CLERK OF THE  
CITY COUNCIL OF THE CITY OF MENLO PARK,  
CALIFORNIA

COUNTY RECORDER'S STATEMENT

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2012, AT \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF PARCEL MAPS AT PAGES \_\_\_\_\_ AT THE REQUEST OF CHICAGO TITLE COMPANY.

FILE NO. \_\_\_\_\_ FEE \_\_\_\_\_

MARK CHURCH, SAN MATEO COUNTY RECORDER

BY: \_\_\_\_\_  
DEPUTY RECORDER

# PARCEL MAP

135 & 139 O'CONNOR STREET

ALL OF PARCEL "H" AS SHOWN ON THE RECORD OF SURVEY MAP RECORDED IN VOLUME 5, PAGE 45 SAN MATEO COUNTY RECORDS.

CONSISTING OF TWO (2) SHEETS

CITY OF MENLO PARK, SAN MATEO COUNTY, CALIFORNIA

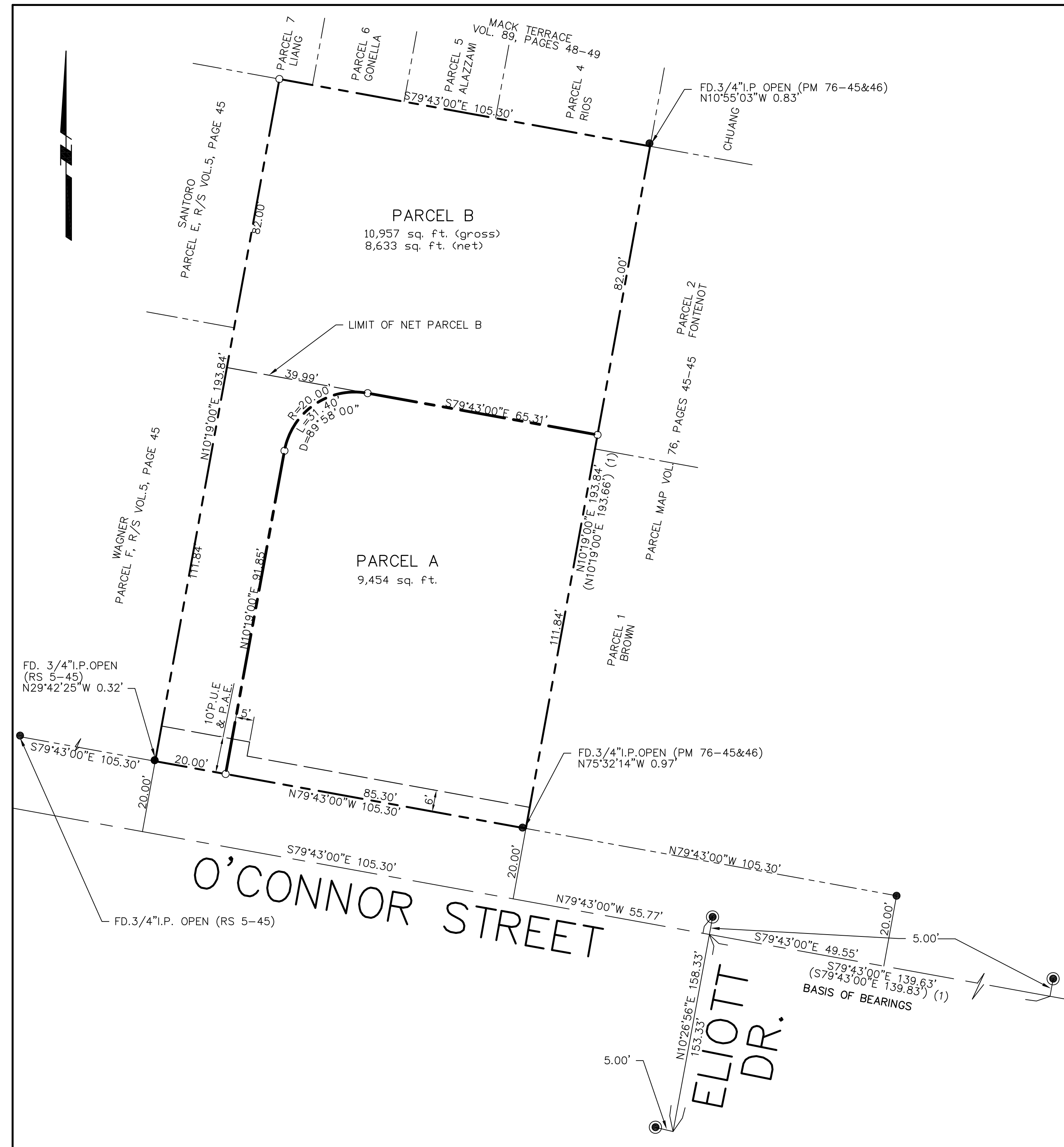
MAY 2012

SHEET 1 OF 2

WESTFALL ENGINEERS, INC.

14583 BIG BASIN WAY, SARATOGA, CA 95070





**BASIS OF BEARINGS**

THE BASIS OF BEARINGS FOR THIS MAP IS THE CENTERLINE OF O'CONNOR STREET NORTH 79 DEGREES 43 MINUTES WEST AS SHOWN ON THE PARCEL MAP FILED FOR RECORD IN VOLUME 76 OF MAPS AT PAGES 45 AND 46, SAN MATEO COUNTY RECORDS.

**NOTES**

1. ALL DISTANCES ARE IN FEET AND DECIMALS THEREOF.
2. AREA WITHIN THE DISTINCTIVE BORDER LINE IS 0.468 ACRES MORE OR LESS.

**LEGEND**

BOUNDARY	---
CENTERLINE	---
PARCEL LINE	---
PROP. LIMIT OF EASEMENT	---
EX. LIMIT OF EASEMENT	---
FOUND MONUMENT AS NOTED	●
SET 3/4" IRON PIPE	○
TAGGED L.S. 4953	( )
RECORD DATA	( )
FD. MON. BOX EMPTY W/STRATLERS	⊙
PUBLIC UTILITY EASEMENT	P.U.E.
PUBLIC ACCESS EASEMENT	P.A.E.

**REFERENCES**

- (1) PARCEL MAP, VOLUME 76, PAGE 45 & 46
- (2) RECORD OF SURVEY MAP, VOLUME 5 OF MAPS PAGE 45
- (3) MACK TERRACE SUBDIVISION, VOLUME 89 OF MAPS PAGES 48 & 49

**PARCEL MAP**

135 & 139 O'CONNOR STREET

ALL OF PARCEL "H" AS SHOWN ON THE RECORD OF SURVEY MAP RECORDED IN VOLUME 5, PAGE 45 SAN MATEO COUNTY RECORDS.

CONSISTING OF TWO (2) SHEETS

CITY OF MENLO PARK, SAN MATEO COUNTY, CALIFORNIA

SCALE: 1"=20'

MAY 2012

SHEET 2 OF 2

WESTFALL ENGINEERS, INC.

14583 BIG BASIN WAY, SARATOGA, CA 95070

2012-004

**AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS**

THIS AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS (this "Agreement"), made and entered into, in duplicate, this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between Yahya G. Hamadani and Roya S. Hamadani, Co-Trustees of the Hamadani Family Trust Dated December 17, 2003, hereinafter referred to as "Applicant" and CITY OF MENLO PARK, a municipal corporation, situated in the County of San Mateo, State of California, hereinafter referred to as "City".

WITNESSETH:

WHEREAS, on \_\_\_\_\_, 20\_\_, the City conditionally approved Applicant's request for a 2 lot minor subdivision project at the location shown on Exhibit A attached hereto and made a part hereof entitled, "Project Location Map"; and

WHEREAS, a condition of said approval was the installation of development improvements as shown in the approved project plans.

NOW, THEREFORE, IT IS AGREED as follows:

1. Applicant agrees to furnish at his/her own expense all the labor, material, equipment and inspection services necessary to complete, within twelve (12) months from the date of this agreement, all Development Improvements as set forth and described in the Plans and Specifications prepared for said improvements, in compliance with City Standards and to the satisfaction of the City Engineer.
2. Applicant further agrees to install where required a domestic water supply and fire protection system, and a sanitary sewage system, in compliance with the regulations and requirements of the respective utility or agency.
3. Applicant further agrees, while engaged in the work provided for in this Agreement, to place and maintain suitable safeguards sufficient to prevent injury to any persons and to indemnify, defend and save harmless the City, its officers, representatives, and employees from and against any and all claims for loss, injury or damage (the "claims") resulting from the prosecution of said work except to the extent the Claim arises out of the negligence or willful misconduct of the City. Applicant agrees to maintain comprehensive commercial general liability and property damage insurance naming the City, its officers, agents, and employees as additional insured in a combined single limit of \$1,000,000 for the death and injury of any persons in any one occurrence; and for property damage in any one occurrence. A certificate of said insurance policy shall be filed with the City.
4. Applicant further agrees, contemporaneously with the execution of this Agreement, to file with the City a faithful performance surety bond or other guarantee as reasonably approved by the City, in a sum equal to the City Engineer's estimated value of the total cost of said improvements, including engineering and contingencies as set forth on Exhibit B attached hereto and made a part herein, entitled "Engineer's Cost Estimate". Said surety bond

shall require the faithful performance of the terms and conditions of this Agreement; and shall be in a form satisfactory to the City Attorney.

5. Applicant further agrees to correct all defects in design, workmanship and material actually appearing during the warranty period, which period shall be one (1) year after the date of acceptance of the Development Improvements by the City Council, and to maintain said performance bond for the warranty period or to file with the City, prior to consideration of acceptance, a surety bond for the warranty period in a sum equal to at least fifty percent (50%) of said Engineer's Cost Estimate.

6. Applicant further agrees that when defects in design, workmanship, and materials actually appear during the warranty period and have been corrected (the "corrections"), the warranty period and surety bond shall automatically be extended for an additional year with respect to the Corrections only, to guarantee that such defects have been effectively corrected.

7. Applicant further agrees that should it fail to construct or complete the construction of any or all of said Development Improvements as herein provided, the City may complete or cause to be completed said Development Improvements and Applicant agrees to reimburse the City for any and all services such as labor and materials used, for completing said work, and the bonds herein mentions shall be security therefor.

8. City reserves the right, without the prior consent of Applicant, Applicant's surety, or any subsequent purchaser of property underlying or adjacent to said Development Improvements to:

- (a) Extend the period of time during which Applicant shall be required to construct all or any part of said Development Improvements;
- (b) Eliminate any Development improvements no longer deemed necessary, and to transfer or re-convey to Applicant any interest in real property no longer needed therefor;
- (c) Exonerate or release Applicant's surety from all or any portion of its bond;
- (d) Accept a substitute surety bond (personal or corporate) in exchange for or in lieu of the surety bond originally deposited by Applicant herein.

9. If the City is compelled to file litigation to enforce the terms and provisions of this Agreement or to collect on the bond, the prevailing party in such litigation shall be entitled to recover its reasonable attorney's fees and costs, whether such litigation is resolved by settlement or judgment

IN WITNESS WHEREOF, Applicant and City have executed these presents by their respective officers, thereunto duly authorized the day and year first herein about written.

APPLICANT:

Yahya G. Hamadani and Roya S. Hamadani, Co-Trustees of the Hamadani Family Trust Dated December 17, 2003

CITY:

CITY OF MENLO PARK, a Municipal Corporation

By: \_\_\_\_\_  
Alex D. McIntyre  
City Manager

By: \_\_\_\_\_  
Yahya G. Hamadani

By: \_\_\_\_\_  
Roya S. Hamadani

EXHIBIT A  
PROJECT LOCATION MAP

EXHIBIT B

ENGINEER'S COST ESTIMATE

Bond No. \_\_\_\_\_

Premium \_\_\_\_\_

## FAITHFUL PERFORMANCE BOND

**WHEREAS**, the CITY OF MENLO PARK, a municipal corporation of the State of California ("City"), and **YAHYA G. HAMADANI AND ROYA S. HAMADANI, CO-TRUSTEES OF THE HAMADANI FAMILY TRUST DATED DECEMBER 17, 2003**, as principal ("Principal") have entered into an agreement entitled **AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS**, incorporated herein by reference and referred to as the "Contract," which requires Principal to install and complete certain designated public improvements; and,

**WHEREAS**, under the terms of the Contract and prior to commencing any work under the Contract, Principal is required to furnish a bond to City for faithful performance of the Contract.

NOW, THEREFORE, we the Principal and \_\_\_\_\_, a corporation duly authorized and admitted to transact business and issue surety bonds in the State of California ("Surety"), are held firmly bound unto the City in the sum of **Thirty Two Thousand Dollars (\$32,000.00)**, for the payment of which sum well and truly to be made, we the Principal and Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally.

The condition of this obligation is such that, if the Principal, Principal's heirs, executors, administrators, successors, or assigns shall in all things stand to and abide by, and well and truly keep and perform all covenants, conditions, and agreements required to be kept and performed by Principal in the Contract and any changes, additions, or alterations made thereto, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meanings, and shall indemnify and save harmless City, its officers, employees, and

agents, as therein provided, then this obligation shall be null and void; otherwise, it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the sum specified above, there shall be included all costs, expenses, and fees, including attorney's fees, reasonably incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or to the work to be performed thereunder or to the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

**IN WITNESS WHEREOF**, this instrument has been duly executed by authorized representatives of the Principal and Surety. SIGNED AND SEALED on \_\_\_\_\_, 2012.

PRINCIPAL:

SURETY:

**Yahya G. Hamadani and  
Roya S. Hamadani,  
Co-Trustees of the Hamadani Family  
Trust Dated December 17, 2003**

\_\_\_\_\_  
(Principal name)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Surety name)



BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name and title)

BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name and title)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name and title)

Principal address and telephone:

Surety address and telephone:

**Affix Corporate Seals**  
**Attach Notary Acknowledgments for All Signatures**  
**Attach Power-of-Attorney if executed by Attorney-in-Fact**

Bond No. \_\_\_\_\_

Premium \_\_\_\_\_

## **DEFECTIVE MATERIALS AND WORKMANSHIP (WARRANTY) BOND**

**WHEREAS**, the CITY OF MENLO PARK, a municipal corporation of the State of California ("City") and **YAHYA G. HAMADANI AND ROYA S. HAMADANI, CO-TRUSTEES OF THE HAMADANI FAMILY TRUST DATED DECEMBER 17, 2003**, as principal ("Principal") have entered into an agreement entitled **AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS**, incorporated herein by reference and referred to as the "Contract," which requires Principal to install and complete certain designated public improvements; and,

**WHEREAS**, under the terms of the Contract, Principal is required to furnish a bond to City to make good and protect the City against the results of any work or labor done or materials or equipment furnished which are defective or not in accordance with the terms of the Contract having been used or incorporated in any part of the work so contracted for, which shall have appeared or been discovered, within the period of one (1) year from and after the completion and final acceptance of the work done under the Contract.

**NOW, THEREFORE**, we the Principal and \_\_\_\_\_, a corporation duly authorized and admitted to transact business and issue surety bonds in the State of California ("Surety"), are held firmly bound unto the City in the sum of **Sixteen Thousand Dollars (\$16,000.00)**, for the payment of which sum well and truly to be made, we the Principal and Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally.

The condition of this obligation is such that, if the Principal shall well and truly make good and protect the City against the results of any work or labor done or materials or equipment furnished which are defective or not in accordance with the terms of the Contract having been used or incorporated in any part of the work

performed under the Contract, which shall have appeared or been discovered within said one-year period from and after completion of all work under the Contract and final acceptance by City of said work, then this obligation shall be null and void; otherwise, it shall be and remain in full force and effect.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any change, extension of time, alteration or addition.

**IN WITNESS WHEREOF**, this instrument has been duly executed by authorized representatives of the Principal and Surety. SIGNED AND SEALED on \_\_\_\_\_, 2012.

PRINCIPAL:

SURETY:

**Yahya G. Hamadani and  
Roya S. Hamadani,  
Co-Trustees of the Hamadani Family  
Trust Dated December 17, 2003**

\_\_\_\_\_  
(Principal name)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Surety name)

BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name and title)

BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name and title)

BY: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print name and title)

Principal address and telephone:

Surety address and telephone:

**Affix Corporate Seals**  
**Attach Notary Acknowledgments for All Signatures**  
**Attach Power-of-Authority if executed by Attorney-in-Fact**



# PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 13, 2012

Staff Report #: 12-166

Agenda Item #: D-2

**CONSENT CALENDAR: Adopt a Resolution Accepting Dedication of a Public Access Easement and Authorize the City Manager to Sign the Certificate of Acceptance for the 1706 El Camino Real Frontage Improvements Project**

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## RECOMMENDATION

Staff recommends that the City Council adopt a resolution (Attachment A) accepting dedication of a Public Access Easement and authorize the City Manager to sign the certificate of acceptance for the 1706 El Camino Real frontage improvements project.

## BACKGROUND

In 2009, the City approved construction of a new two-story, 10,148 square-foot office building for medical/dental office use at 1706 El Camino Real. The Conditions of Approval for the project included construction of frontage improvements including all new curb, gutter, sidewalk and driveways along El Camino Real and Buckthorn Way. The approved site layout for the project also includes a new wheelchair ramp at the corner of El Camino Real and Buckthorn Way, which requires a small portion of sidewalk to be constructed on the applicant's property to facilitate pedestrians walking around the corner.

## ANALYSIS

As a condition of the use permit, the applicant was required to provide public pedestrian access along the El Camino Real and Buckthorn Way frontages of their property. The installation of a new wheelchair ramp at the corner of El Camino Real and Buckthorn Way requires the construction of sidewalk over a portion of the applicant's property to allow pedestrians to walk around the corner behind the new wheelchair ramp. Since this portion of the public sidewalk is located within the applicant's private property, a Public Access Easement is required to allow the public to use the sidewalk. The easement dedication is shown in Attachment B.

Acceptance and recordation of the easement dedication is a condition of final inspection for the project and for occupancy of the building.

## **IMPACT ON CITY RESOURCES**

The staff time associated with review and acceptance of the easement dedications and access agreement are fully recoverable through fees collected from the applicant.

## **POLICY ISSUES**

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

## **ENVIRONMENTAL REVIEW**

Environmental review is not required for this action. A Mitigated Negative Declaration was prepared for the project and certified by the City Council on October 20, 2009.

Signature on File  
Roger K. Storz  
Senior Civil Engineer

Signature on File  
Fernando Bravo  
Engineering 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. Resolution
- B. Public Access Easement

**RESOLUTION NO.**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ACCEPTING DEDICATION OF A PUBLIC ACCESS EASEMENT AND AUTHORIZING THE CITY MANAGER TO SIGN THE CERTIFICATE OF ACCEPTANCE FOR THE 1706 EL CAMINO REAL FRONTAGE IMPROVEMENTS PROJECT**

WHEREAS, the 1706 El Camino Real Frontage Improvements Project consists of construction of new concrete curb, gutter, driveways and sidewalk along El Camino Real and Buckthorn Way; and

WHEREAS, the Project includes the construction of a new concrete sidewalk on the property at the corner of El Camino Real and Buckthorn Way; and

WHEREAS, as a condition of the use permit to provide public pedestrian access along the El Camino Real and Buckthorn Way frontages; and

WHEREAS, a portion of the new public sidewalk is located within the applicant's private property requiring a Public Access Easement to allow the public use of the sidewalk.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby accepts the required Public Access Easement at the corner of the property at 1706 El Camino Real and is attached hereto as Exhibits A and B and incorporated herein by this reference; and

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to sign the Certificate of Acceptance for said easements.

I, Margaret S. Roberts, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on this thirteenth day of November, 2012, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Margaret S. Roberts, MMC  
City Clerk

**RECORDING REQUESTED BY**

1706 El Camino Real Partnership, LLC  
PO Box 1672  
Palo Alto, CA 94302

**WHEN RECORDED MAIL TO**

City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025  
Attn: City Clerk

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Documentary Transfer Tax: \$-0- No apparent value  
"No fee required" (Government Code Section 6103 & 27383)  
Recorded for the benefit of the City of Menlo Park.

**PUBLIC ACCESS EASEMENT**

1706 El Camino Real Partnership, LLC., a California corporation (hereinafter "Grantor") is the owner of certain real property situated in the City of Menlo Park, County of San Mateo, California, and more commonly known as 1706 El Camino Real, Assessor Parcel Number 060-343-040-6 (hereafter referred to as the "Servient Tenement").

**Grant of Easement**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Grantor hereby grants to the City of Menlo Park, a municipal corporation, in the County of San Mateo, State of California ("Grantee") an easement and right-of-way for public access purposes, including the right of ingress and egress, over, under and across a portion of the Servient Tenement being that certain real property ("Property") situated in said City of Menlo Park and more particularly described and shown in Exhibit A and B, attached hereto and incorporated herein by this reference.

**Term**

This easement is granted in perpetuity.

**Maintenance**

Grantor is responsible for maintaining and repairing the Property, including, without limitation, the sidewalk located on the Property, in accordance with City of Menlo Park Municipal Code Title 13.



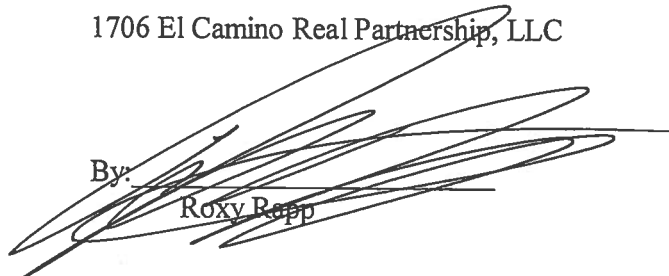
**Nonexclusive Easement**

The easement granted in this Agreement is nonexclusive. Grantors retain the right to make any use of the Servient Tenement, including the right to grant concurrent easements in the Servient Tenement to third parties that does not interfere unreasonably with Grantees' free use and enjoyment of the easement.

Reserving to Grantor the continued use of the real property that is subject to the easement granted herein, Grantor agrees for itself, its successors and assigns, not to erect, place or maintain, nor to permit the erection, placement, or maintenance of any buildings, structures or similar improvements that would unreasonably interfere with the ability of Grantee to exercise the access rights granted herein.

Dated 9/12/12

1706 El Camino Real Partnership, LLC

By:   
Roxy Rapp

State of California

County of Santa Clara

On 9/12/12 before me, Cathy L. Amato, a notary public, personally appeared **Roxy Rapp** who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Cathy L. Amato (Seal)



EXHIBIT 'A'

LEGAL DESCRIPTION OF  
PUBLIC ACCESS EASEMENT

BEING A PUBLIC ACCESS EASEMENT OVER AND ACROSS A PORTION OF THAT CERTAIN PARCEL OF LAND DESIGNATED AS "LAND OF WM. BARBER," AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF VILLA LOTS AT FAIR OAKS, SAN MATEO COUNTY, CALIFORNIA," FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, CALIFORNIA ON APRIL 29, 1868 IN BOOK "C" OF MAPS AT PAGE 31 AND A COPY ENTERED IN BOOK 1 OF MAPS AT PAGE 87, AND AS ALSO DESCRIBED IN GRANT DEED DOCUMENT NO. 2011-090200 RECORDED AUGUST 8, 2011 AT THE SAN MATEO COUNTY RECORDER'S OFFICE, AND IS LOCATED WITHIN THE CITY OF MENLO PARK, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID "LAND OF WM. BARBER," SAID POINT ALSO BEING THE INTERSECTION OF THE SOUTHEASTERLY RIGHT OF WAY LINE OF BUCKTHORN WAY, 60 FEET WIDE, (FORMERLY CEDAR STREET) WITH THE NORTHEASTERLY RIGHT OF WAY LINE OF EL CAMINO REAL, 100 FEET WIDE, ALSO KNOWN AS CALIFORNIA STATE HIGHWAY 82. SAID POINT BEING A FOUND SAN MATEO COUNTY NAIL AND SHINER AS DESCRIBED IN FIELD BOOK 701-2: "MENLO PARK AND VICINITY" HAVING A FIELD DATE OF MAY 1, 1981;

THENCE SOUTH 58° 21' EAST ALONG SAID NORTHEASTRLY RIGHT OF WAY LINE OF EL CAMINO REAL FOR 3.05 FEET;

THENCE LEAVING SAID EL CAMINO REAL RIGHT OF WAY LINE NORTH 01° 41' 36" EAST FOR 6.12 FEET TO A POINT ON SAID SOUTHEASTERLY RIGHT OF WAY LINE OF BUCKTHORN WAY;

THENCE SOUTH 31° 36' WEST ALONG SAID SOUTHEASTERLY RIGHT OF WAY LINE OF BUCKTHORN WAY FOR 5.30 FEET TO THE POINT OF BEGINNING.

CONTAINING ± 8 SQUARE FEET.

THIS DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE LAND SURVEYOR'S ACT.

AS SHOWN ON SURVEY PLAT EXHIBIT 'B' AND MADE A PART HEREIN.

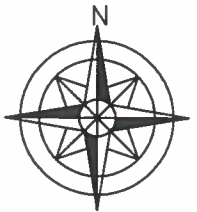
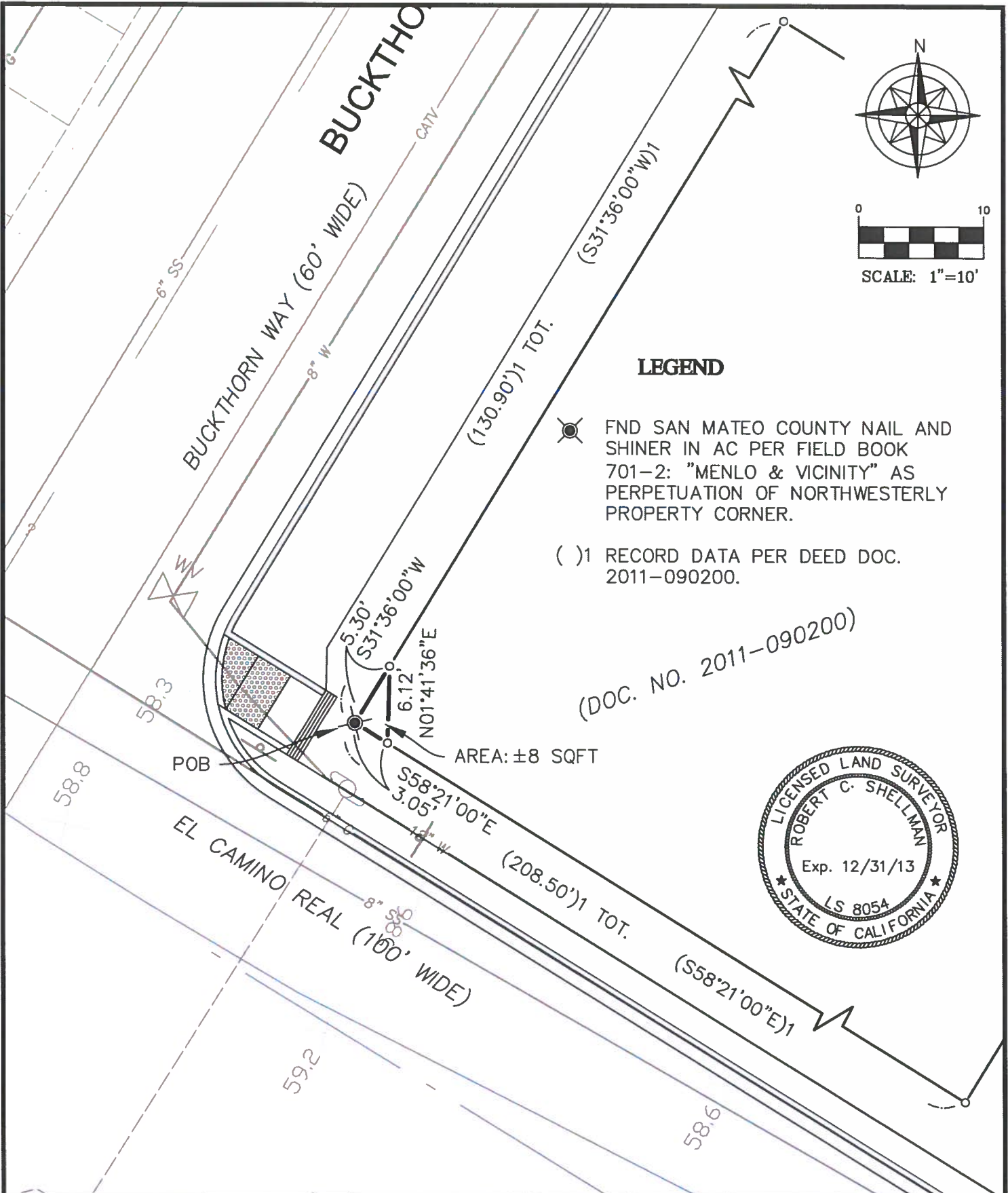
FOR: BKF ENGINEERS



ROBERT C. SHELLMAN, LS 8054

DATE: 8/21/12





SCALE: 1"=10'

**LEGEND**

- ⊗ FND SAN MATEO COUNTY NAIL AND SHINER IN AC PER FIELD BOOK 701-2: "MENLO & VICINITY" AS PERPETUATION OF NORTHWESTERLY PROPERTY CORNER.
- ( ) RECORD DATA PER DEED DOC. 2011-090200.

(DOC. NO. 2011-090200)



AREA: ±8 SQFT



255 SHORELINE DR  
 SUITE 200  
 REDWOOD CITY, CA 94065  
 650-482-6300  
 650-482-6399 (FAX)

"EXHIBIT B"	Date: 08/21/2012
PUBLIC ACCESS EASEMENT	Scale: 1"=10'
1706 EL CAMINO REAL	By: RS Chckd: IK
MENLO PARK, CA	
BKF: 20110154	Sheet: 2 of 2

Project: 12-035  
Parcel Map Check

Tue August 21 14:46:29 2012

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Parcel name: PAE

	North: 10520.1632	East : 9156.2527	
Line	Course: S 58-21-00.0000 E	Length: 3.05000000	
	North: 10518.5628	East : 9158.8490	
Line	Course: N 01-41-35.6461 E	Length: 6.11724719	
	North: 10524.6773	East : 9159.0298	
Line	Course: S 31-36-00.0000 W	Length: 5.30000000	
	North: 10520.1632	East : 9156.2527	

Perimeter: 14.46724719 Area: 8 sq. ft. 0.00 acres

Mapcheck Closure - (Uses listed courses, radii, and deltas)  
 Error Closure: 0.0000 Course: S 16-03-59.6096 W  
 Error North: -0.00000 East : -0.00000  
 Precision 1: 14,467,247.19000000

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# PUBLIC WORKS DEPARTMENT

City Council Meeting Date: November 13, 2012  
Staff Report #: 12-173

Agenda Item #: D-3

**CONSENT CALENDAR:** Authorize the City Manager to Execute a New Proposal to an Existing Agreement with Pacific Gas and Electric Company to Replace Existing Streetlights with LED Fixtures in an Amount Not to Exceed \$47,129 for Energy Efficiency and Conservation Block Grant Phase 2 Funding; to Appropriate \$49,629 from the General Fund CIP Fund Balance in FY 12-13; and to Execute Future Proposals with Pacific Gas and Electric Company to Replace Existing Streetlights with LED Fixtures for Future Energy Efficient and Conservation Block Grant Funding

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## RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to execute a new proposal to an existing agreement with Pacific Gas and Electric Company (PG&E) to replace existing streetlights with light-emitting diode (LED) fixtures in an amount not-to-exceed \$47,129 for Energy Efficiency and Conservation Block Grant (EECBG) Phase 2 funding, to appropriate \$49,629 from the General Fund CIP Fund Balance in FY 12-13, and to execute future proposals with PG&E to replace existing streetlights with LED fixtures for future Energy Efficient and Conservation Block Grant funding.

## BACKGROUND

On March 13, 2012, the City Council adopted Resolution 6051 authorizing submittal of a California Energy Commission (CEC) Energy Efficiency and Conservation Block Grant (EECBG) Phase 2 application to retrofit existing streetlights with LED fixtures should grant funding become available. The March 13, 2012 staff report is attached for reference.

In May 2012, the City signed a grant agreement with the CEC for the EECBG Phase 2 program. At that time, zero dollars were available under the agreement until the CEC provided written approval of funding, and funding could become available in incremental amounts and be limited to an amount less than total grant funds requested.

In September 2012, the CEC extended the original September 13, 2013 deadline to complete EECBG Phase 2 projects out six months to March 13, 2013, and the City signed a grant amendment to this effect.

On October 12, 2012, the CEC notified the City that they could provide a grant for \$49,629 to partially fund a streetlight retrofit project. In order to receive the grant, retrofits must be installed no later than March 13, 2013. According to the CEC, there is

a slight possibility that if other existing EECBG Phase 2 projects have remaining funds available, the City may receive additional funding in the future.

## **ANALYSIS**

For the original EECBG program, the City partnered with PG&E's Streetlight Turnkey Replacement Service where PG&E assisted with design, installation and billing updates, including:

- Volume purchasing power
- Technical consulting for lighting selection and photometric analysis
- LED lights that meet PG&E energy efficiency standards for energy rates and rebates
- LED fixture installation, utilizing a competitive bid process
- Compliance with American Recovery and Reinvestment Act (ARRA) prevailing wage requirements
- Rebate application completion and processing
- Billing record updates
- Geographic Information Systems (GIS) data updates
- Environmental Protection Agency approved disposal of removed fixtures

Based on the positive experience with PG&E and their expertise, staff believes it would be beneficial to participate again in PG&E's LED Streetlight Turnkey Replacement Service for the EECBG Phase 2 program. PG&E has stated that they would like to work with the City again and that they would be able to complete installations by CEC's March 13, 2013 deadline.

On September 13, 2010, the City signed an agreement with PG&E to participate in their Streetlight Turnkey Replacement Service. The agreement has a term of five years and references signed Proposals between the City and PG&E that define the scope of work and costs associated for particular retrofit projects. On January 12, 2011, the City signed Proposal No. 1 to complete the LED streetlight retrofits for the first phase of the project in which the City received EECBG funding. The scope of work defined in Proposal No. 1 is now complete. In order to proceed with the second phase of the project and receive EECBG Phase 2 funding, the City must now sign Proposal No. 2 with PG&E.

PG&E estimates that approximately 60 streetlights can be retrofitted with the grant funding, which would equate to an estimated energy savings at \$5,400 per year, which is equivalent to a savings of 42,000 kilowatt-hours per year in electricity, a CO2 reduction of 22,000 pounds per year, and a savings of \$415 per year in maintenance costs. Staff has prioritized LED streetlight replacements on the streets listed in the City's General Plan, shown in Attachment C (and defined by the Roadway Classification System) in the following order.

1. Primary Arterial Streets
2. Minor Arterial Streets
3. Collector Streets
4. Local Streets



Attachment B provides a map showing the locations of proposed new streetlight retrofits. These locations are listed below.

STREET NAME	LOCATION DESCRIPTION
Sand Hill Road	Between US Highway 280 and Santa Cruz Avenue
Marsh Road	Between Bay Road and US Highway 101
Oak Grove Avenue	Between University Drive and Chestnut Street
Glenwood Avenue	Between El Camino Real and Laurel Street

**IMPACT ON CITY RESOURCES**

The amount granted by the EECBG Phase 2 Program will be funded through a reimbursement to the City, and the City will pay PG&E. Funds were not budgeted for this project with the FY 12-13 budget. Staff recommends that the Council authorize an appropriation in the amount of \$49,629 from the General Fund CIP fund balance in FY 12-13. The City will retrofit streetlights up to the awarded grant amount. The \$49,629 grant will cover PG&E’s Turnkey Service to purchase/install the LED fixtures and \$2,500 staff time to manage the project and submit required documentation to the CEC.

PG&E Streetlight Turnkey Replacement Service	\$47,129
Administration	<u>\$ 2,500</u>
Total	\$49,629
Grant Reimbursement	<u>\$49,629</u>
Total City Expense	\$ 0

**POLICY ISSUES**

The proposed action is consistent with the City’s General Plan, Goal II-A to “*maintain and provide for a safe and efficient movement of people and goods throughout Menlo Park for residential and commercial purposes.*”

**ENVIRONMENTAL REVIEW**

This project is categorically exempt under California Environmental Quality Act (CEQA) Guideline Article 19, Categorical Exemption, Section 15301, Existing Facility.

Signature on File  
 Pam Lowe  
 Associate Civil Engineer

Signature on File  
 Fernando Bravo  
 Engineering 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. Staff Report from March 13, 2012 City Council Meeting
- B. Map of Completed and Proposed LED Streetlight Retrofits
- C. Menlo Park General Plan Roadway Classification



## PUBLIC WORKS DEPARTMENT

City Council Meeting Date: March 13, 2012

Staff Report #: 12-038

Agenda Item #: D3

**CONSENT CALENDAR: Adopt a Resolution Authorizing a California Energy Commission Energy Efficiency and Conservation Block Grant Phase 2 Application Submittal**

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### RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing a California Energy Commission Energy Efficiency and Conservation Block Grant Phase 2 application submittal.

### BACKGROUND

The City of Menlo Park currently owns and maintains approximately 2,300 street lights on public streets throughout Menlo Park. A total of 477 streetlights have already been retrofitted to light-emitting diode (LED) fixtures. The remaining lights currently use high pressure sodium (HPS) bulbs, which have been surpassed by LED technology in terms of energy efficiency, lighting uniformity, and useful life.

In February 2009, the United States Congress funded the Energy Efficiency and Conservation Block Grant (EECBG) program as part of the American Recovery and Reinvestment Act (ARRA). The EECBG is intended to assist U.S. cities, counties, states, territories, and Native American tribes to create and implement strategies to reduce fossil fuel emissions, reduce energy use, and improve energy efficiency.

In December 2009, the City Council adopted a resolution authorizing staff to submit an application for the EECBG program. Staff submitted the application in January 2010, and in July 2010, the City entered into a grant agreement for \$163,154 with the California Energy Commission (CEC) to replace approximately 230 existing streetlights with LED fixtures.

In February 2010, the City Council authorized two agreements with Pacific Gas and Electric Company (PG&E) to purchase and replace existing streetlights with LED fixtures: one agreement for \$163,154 to retrofit approximately 230 streetlights funded by the EECBG, and the other agreement for \$160,000 to retrofit approximately 215 streetlights within the Belle Haven neighborhood (the Redevelopment Agency Fund) funded by the Community Development Non-Housing Fund.

A total of 477 LED streetlights have been installed primarily on streets more heavily traveled during commute hours, streets with the greatest energy and cost savings due to existing high energy wattage bulbs, and streets deemed to need better lighting. The energy savings are approximately \$27,000 per year, which is equivalent to a savings of 223,000 kilowatt-hours per year in electricity, a CO2 reduction of 117,000 pounds per year, and saving \$3,300 per year in maintenance costs. Attachment B provides a map

showing the locations of completed streetlight retrofits. There is no additional funding remaining in the original EECBG grant or Community Development Non-Housing Fund for streetlight retrofits.

The CEC is now administering the EECBG Phase 2 Small City and County Grant Program. Under the Phase 2 program, the CEC will make available on a first-come, first-serve basis, any unspent funds from the original EECBG program. At the time of the grant solicitation release (January 2012), zero dollars were available, however, the CEC anticipates (but cannot guarantee) up to \$10 million may become available in the near future. The CEC is planning to award grants in April 2012, and partial grants may be awarded.

For the Phase 2 program there are no minimum or maximum funding award restrictions, and no match share requirements. In addition to applying for the EECBG Phase 2 grant (which staff submitted prior to the February 14, 2012 deadline), every applicant must submit an authorizing resolution from their governing board, which must be submitted prior to expending any grant funds awarded under Phase 2. Grant payments will be made on a reimbursement basis, and the project must be completed with funds fully disbursed by September 13, 2012.

The CEC has determined that purchasing and installing LED fixtures that replace existing high-pressure sodium, low pressure sodium, mercury vapor, metal halide, or incandescent lamps in "cobrahead" type streetlights qualifies as an eligible Phase 2 project. Replacement of the streetlight pole is not allowed.

## **ANALYSIS**

The LED street light fixtures proposed to be replaced as part of the EECBG Phase 2 Grant have a similar appearance to the existing cobra head style lights and will be mounted on existing street light poles/arms. When visually compared with HPS street lights, LED street lights have a whiter light and offer improved visibility for drivers, and they do not contain mercury. The installed LEDs are rated at 6000 Kelvin (a measure of color temperature) in order to produce the most amount of light (lighting efficiency) for the least amount of energy, as there is a direct relationship between temperature and energy efficiency. PG&E recommended the 6000 Kelvin LEDs as they've installed them throughout the region and have found this color temperature to be more acceptable to communities.

With the elimination of \$340,000 in Redevelopment funds for additional LED streetlight retrofits, staff believes it is worthwhile to pursue an EECBG Phase 2 grant in order to complete LED streetlight retrofits for all remaining cobraheads within the City. As there are no minimum or maximum funding award restrictions and no match share requirements for the Phase 2 program, staff submitted a grant application in February 2012 to retrofit the remaining 1,478 cobrahead type streetlights in the City for a maximum grant award of \$739,161. The energy savings are estimated at \$84,000 per year, which is equivalent to a savings of 690,000 kilowatt-hours per year in electricity, a CO2 reduction of 360,000 pounds per year, and a savings of \$10,000 per year in maintenance costs. The attached resolution must be submitted to the CEC as part of the grant application prior to any grant funds awarded.

The remaining 1,478 cobrahead type streetlights that may be retrofitted are located throughout the City. If the CEC awards a partial grant, staff will prioritize LED streetlight replacements on the streets listed in the City's General Plan, shown in Attachment C (and defined by the Roadway Classification System) in the following order.

1. Primary Arterial Streets
2. Minor Arterial Streets
3. Collector Streets
4. Local Streets

For the original EECBG program, the City participated in PG&E's LED Streetlight Turnkey Replacement Service to purchase and install LED fixtures. PG&E helped with project design, installation and billing updates, including:

- Volume purchasing power
- Technical consulting for lighting selection and photometric analysis
- LED lights that meet PG&E energy efficiency standards for energy rates and rebates
- LED fixture installation, utilizing a competitive bid process
- Compliance with American Recovery and Reinvestment Act (ARRA) prevailing wage requirements
- Rebate application completion and processing
- Billing record updates
- Geographic Information Systems (GIS) data updates
- Environmental Protection Agency approved disposal of removed fixtures

Based on the positive experience with PG&E and their expertise, staff believes it would be beneficial to continue participating in PG&E's LED Streetlight Turnkey Replacement Service for the EECBG Phase 2 program. In preliminary discussions, if the City receives an EECBG Phase 2 grant, PG&E has stated that they can purchase and install the LEDs by the September 13, 2012 grant deadline.

### **Next Steps**

If the City receives full or partial Phase 2 Grant funding up to \$739,161, staff will return to Council in May/June to authorize agreements with PG&E to replace existing streetlights with LED fixtures up to the amount of the awarded grant.

### **IMPACT ON CITY RESOURCES**

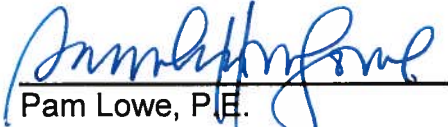
The amount granted by the EECBG Phase 2 Program (up to \$739,16) will be funded through a reimbursement to the City. The City will retrofit streetlights up to the awarded grant amount. Staff recommends that funds from the General Fund-CIP be utilized for the upfront expenditure, to be reimbursed upon completion.

### **POLICY ISSUES**

The proposed action is consistent with the City's General Plan, Goal II-A to *"maintain and provide for a safe and efficient movement of people and goods throughout Menlo Park for residential and commercial purposes."*

## ENVIRONMENTAL REVIEW

This project is categorically exempt under California Environmental Quality Act (CEQA) Guideline Article 19, Categorical Exemption, Section 15301, Existing Facility.

  
Pam Lowe, P.E.  
Associate Civil Engineer

  
Matt Oscamou, P.E.  
Engineering 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. Resolution
- B. Map of LED Streetlight Retrofits
- C. Menlo Park General Plan Roadway Classification

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO  
PARK AUTHORIZING A CALIFORNIA ENERGY COMMISSION'S  
ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PHASE  
2 APPLICATION SUBMITTAL**

WHEREAS, the City of Menlo Park recognizes that it is in the interest of the regional, state, and national economy to stimulate the economy; create and retain jobs; reduce fossil fuel emissions; and reduce total energy usage and improve energy efficiency within our jurisdiction; and

WHEREAS, Energy Efficiency and Conservation Block Grant (EECBG) funds are available through the California Energy Commission's EECBG Phase 2 Program for grants to eligible local governments for cost-effective energy efficiency projects; and

WHEREAS, the City of Menlo Park is eligible to apply for EECBG funding under the California Energy Commission's EECBG Program; and

WHEREAS, the City of Menlo Park is proposing to implement the energy efficiency project described in Exhibit A in order to qualify for EECBG Phase 2 funds from the California Energy Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council authorizes the submittal of the application to the California Energy Commission's EECBG Phase 2 Program for funds to execute the proposed project described in Exhibit A.

BE IT FURTHER RESOLVED, if recommended for funding by the California Energy Commission, the City Council authorizes the City of Menlo Park to accept a grant award up to the amount of this application for \$739,161, and, that the City Manager, acting for the City of Menlo Park, is hereby authorized and empowered to execute all necessary contracts, agreements, and amendments hereto, to implement and carry out completion of the EECBG Phase 2 Program.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

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

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Margaret S. Roberts, MMC  
City Clerk

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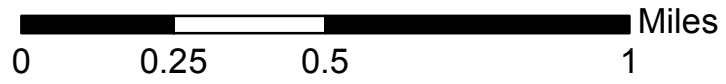
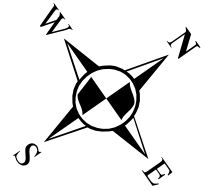
**EXHIBIT A**  
Project Description

The City of Menlo Park currently owns and maintains approximately 2,300 street lights on public streets throughout Menlo Park. To-date, approximately 478 streetlights have already been retrofitted to LED fixtures. The remaining lights currently use high pressure sodium (HPS) bulbs, which have been surpassed by light-emitting diode (LED) technology in terms of energy efficiency, lighting uniformity, and useful life. LED street light fixtures have a similar appearance to the existing cobra head style lights and will be mounted on existing street light poles/arms. When visually compared with HPS street lights, LED street lights have a whiter light and offer improved visibility for drivers, and they do not contain mercury.

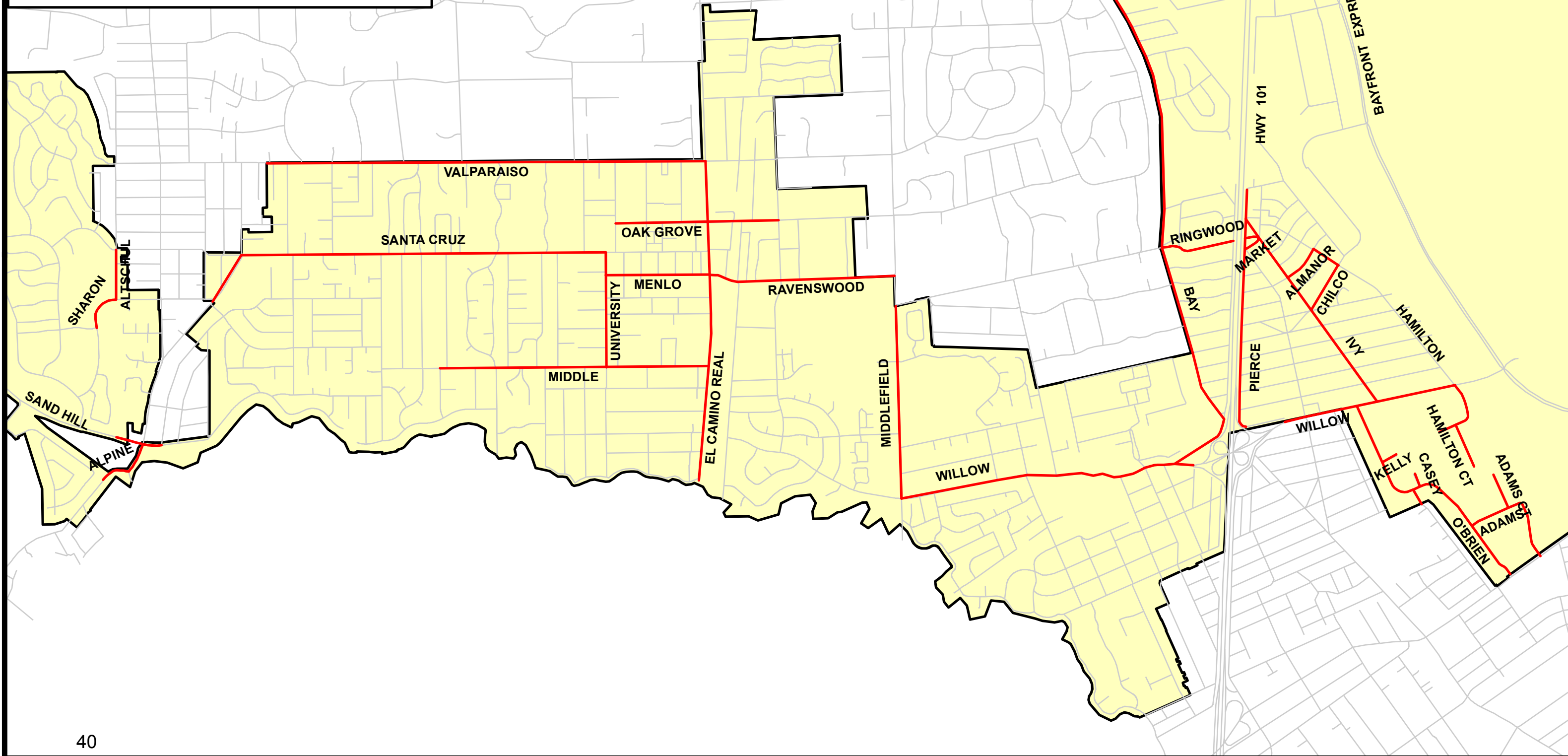
This project consists of purchasing and installing LED fixtures on all remaining existing streetlights that are the cobrahead type fixtures, up to the requested grant amount of \$739,161.

# LED STREETLIGHT RETROFIT LOCATIONS

- LED RETROFITTED STREETS
- STREETS
- Citylimits



## ATHERTON





### Primary Arterial Streets

Primary Arterial Streets serve major centers of activity and high volume traffic corridors within the urbanized area, accommodate the longest trip desires (particularly through trips), and carry a high proportion of total area travel on a small percentage of total system mileage. The network formed by Primary Arterial Streets is integrated and internally interconnected and provides connections to outside areas.

Primary Arterial Streets		
Roadway	From	To
El Camino Real (SR 82)	N. City Limit	S. City Limit
Marsh Road	Bohannon Drive	Bayfront Expressway
Sand Hill Road	I-280	Santa Cruz Avenue
University Avenue (SR 109)	City Limits	Bayfront Expressway
Willow Road (SR 114)	Bayshore Freeway	Bayfront Expressway

### Minor Arterial Streets

Minor Arterial Streets interconnect with and augment the freeway and primary arterial street network. Minor Arterial Streets provide greater access to abutting property and carry more locally-oriented traffic than do the Primary Arterial Streets. Minor Arterial Streets serve traffic within a smaller geographic area, accommodate trip lengths of moderate length, and offer greater opportunities for property access. These streets usually bound neighborhoods and do not penetrate them.

Minor Arterial Streets		
Roadway	From	To
Alameda de las Pulgas	City Limit	Santa Cruz Avenue
Alpine Road	City Limit	Junipero Serra Boulevard
Junipero Serra Boulevard	Alpine Road	City Limit
Marsh Road	Bay Road	Bohannon Drive
Middlefield Road	N. City Limit	S. City Limit
Newbridge Street	Willow Road	S. City Limit
Ravenswood Avenue	El Camino Real	Middlefield Road
Sand Hill Road	Santa Cruz Avenue	E. City Limit
Santa Cruz Avenue	Alpine/Junipero Serra	El Camino Real
Valparaiso Avenue	City Limit	El Camino Real
Willow Road	Middlefield Road	Bayshore Freeway

**Collector Streets**

Short trips for property access and circulation are served by Collector Streets. As the name implies, Collector Streets "collect" traffic from local streets within residential, commercial and industrial areas and channel the traffic into the arterial system. Likewise, Collector Streets serve to distribute traffic through the area to its destination. These types of streets usually penetrate a neighborhood and are surrounded by local streets and lands uses. Collector Streets usually connect with other collector streets and with arterial streets.

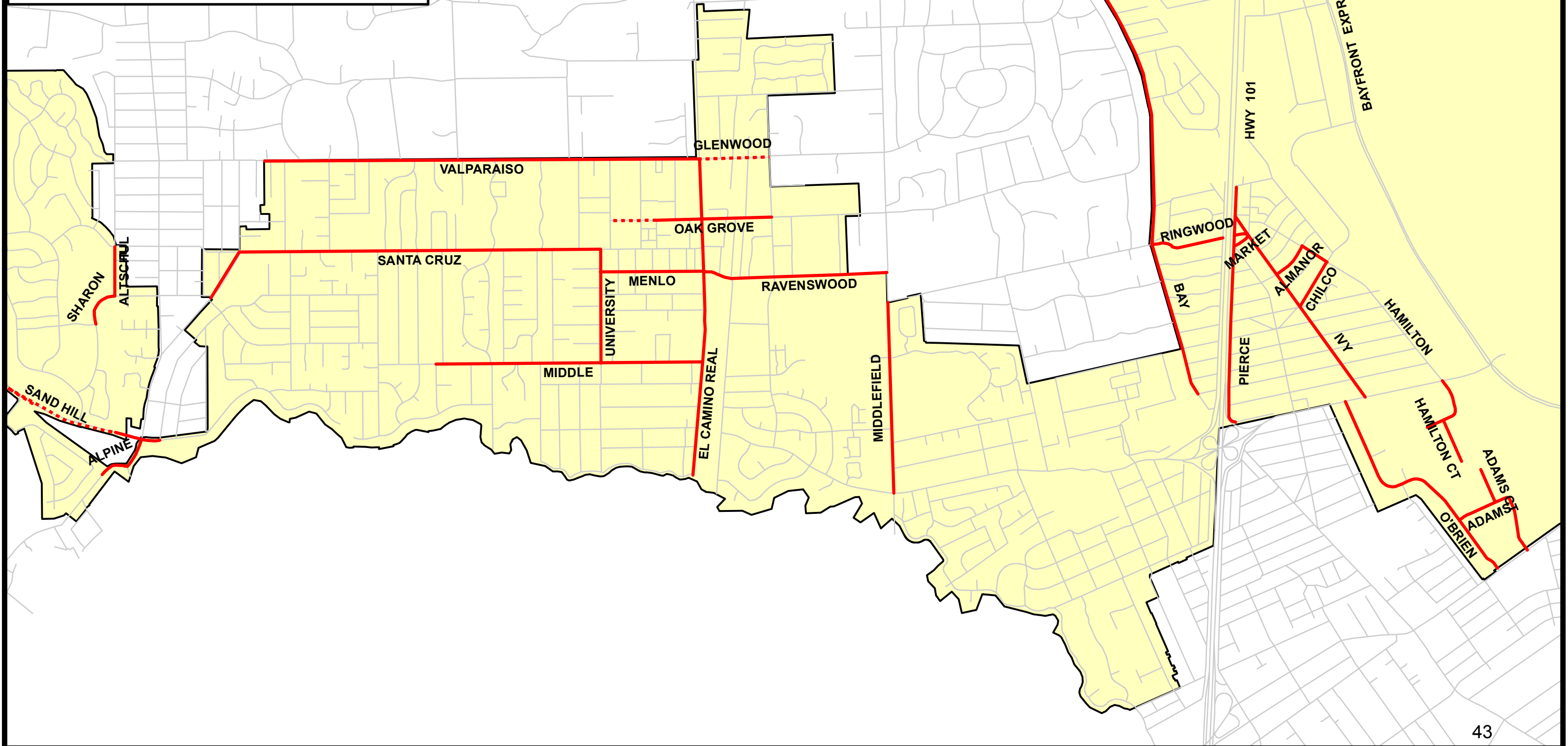
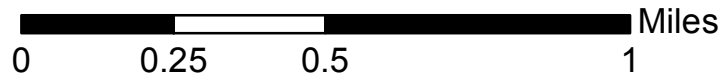
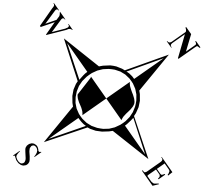
Collector Streets		
Roadway	From	To
Alma Street	Willow Road	Oak Grove Avenue
Avy Road	Monte Rosa Drive	Santa Cruz Avenue
Bay Road	Willow Road	Marsh Road
Bohannon Drive	Marsh Road	Scott Drive
Chilco Street	Constitution Drive	Bayfront Expressway
Chrysler Drive	Constitution Drive	Bayfront Expressway
Constitution Drive	Chilco Street	Chrysler Drive
Crane Street	Oak Grove Avenue	Menlo Avenue
Encinal Avenue	Laurel Street	City Limit
Glenwood Avenue	El Camino Real	Laurel Street
Hamilton Avenue	Chilco Street	Willow Road
Haven Avenue	Marsh Road	City Limit
Laurel Street	Willow Road	Glenwood Avenue
Menlo Avenue	University Drive	El Camino Real
Middle Avenue	Olive Street	El Camino Real
Newbridge Street	Willow Road	Chilco Street
O'Brien Drive	Willow Road	University Avenue
Oak Grove Avenue	University Drive	Middlefield Road
Ringwood Avenue	Middlefield Road	City Limit
Scott Drive	Bohannon Drive	Marsh Road
Sharon Park Drive	Sand Hill Road	Monte Rosa Drive (east)
Sharon Road	Sharon Park Drive	Alameda de las Pulgas
University Drive	Middle Avenue	Valparaiso Avenue
Willow Road	Alma Street	Middlefield Road

**Local Streets**

Local Streets primarily provide direct access to abutting property, locations for easements, open space for light and air, and a firebreak between buildings. Local Streets carry traffic from the immediate land use, and as a result, typically serve relatively low volumes of short trips. Typical daily volumes on Local Streets should not exceed 2500 vehicles per day. All streets not otherwise classified are designated Local Streets.

# LED STREETLIGHT RETROFIT LOCATIONS

- LED RETROFIT
  - COMPLETED
  - PROPOSED LED
- STREETS
- Citylimits



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## COMMUNITY SERVICES

Council Meeting Date: November 13, 2012  
Staff Report #: 12-167

Consent Item #: D-4

**CONSENT ITEM: Approve an Additional .25 Full Time Equivalent to Create One Full-Time Office Assistant for the Arrillaga Family Gymnasium and Approve an Increase of \$7,000 to the Public Works Building Maintenance Fund for Increased Custodial Services at the New Arrillaga Recreation Facilities**

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### RECOMMENDATION

Staff recommends approval of an additional .25 Full-Time Equivalent (FTE) to create 1 full-time Office Assistant position for the Arrillaga Family Gymnasium and an increase in the custodial services contract in the amount of \$7,000 to support the significant increase in building use since the opening of the City's three new recreation facilities.

### BACKGROUND

Thanks to the generous donations of the John Arrillaga family, Menlo Park has been able to build two new recreation facilities and extensively renovate a third on the Civic Center campus in the last three years. City recreation programming has been significantly expanded thanks to the added square footage at the three facilities. Additionally, in order to maximize the benefit of these world class buildings, staff has increased the number of operating hours and class hours in these facilities by a combined total of 25 percent.

Prior to the completion of the new Arrillaga Family Gymnasium, the old Burgess Gym served as the main city gymnasium for 30 years. The Burgess Gym shared lobby space with the former Gymnastics Center and administrative staff stationed there supported both facilities. Burgess Gym was approximately 11,000 square feet and consisted of one full-sized basketball court, two youth basketball courts (for ages 10 & under), and two volleyball courts. Other offsite gyms, including La Entrada School, Hillview School, and Onetta Harris Community Center, were used to operate the City's larger youth sports leagues due to the limited space at the Burgess Gym. The Gym was used by the gymnastics program from 9 am – 12 noon, Monday-Friday, and in the afternoons from 1-4 pm when youth sports leagues or classes were not taking place. The Gym had a small group of approximately 5-8 temporary staff who assisted with the evening and weekend programs. The general programming for the Burgess Gym remained fairly consistent for the past decade.

In October 2010, the Community Services Department hosted the grand opening of the new state-of-art Arrillaga Family Gymnasium. The Gym relocated to a separate site next to the Recreation Center along Alma Street. The new facility doubled in size to 24,100 square feet. It has two full-sized basketball courts, four youth basketball courts, three volleyball courts, and four badminton courts. The facility also has restrooms, locker rooms, a conference room, file room, break room, three offices, reception area, lobby area, and large storage area. This larger facility has allowed the City to host all of the leagues in one location, add additional teams to existing leagues, expand programming, and attract more rentals. As a stand-alone facility, separate administrative staff at the Gym are now responsible for handling all of the financial and operational business directly onsite. Previously, all of the registrations and financial transactions were done by the Gymnastics Center front desk staff or processed by staff at the Recreation Center.

Attachment A shows the increase in the number of operational hours, participants, classes, rentals, and corresponding revenue since the opening of the new gym. Despite these significant increases, full-time staff at the new Arrillaga Family Gymnasium has remained the same as it was at the Burgess Gym. Staff includes one full-time Recreation Coordinator and one full-time Program Assistant. The number of temporary staff has doubled to support front desk operations from 5 am to 10 pm Monday-Friday, 5 am to 8 pm on Saturday, and 9 am – 10 pm on Sunday. Additional staff is also used for scorekeeping and to help coordinate the youth and adult sports leagues. In addition, since there was an additional office at the new building, another Recreation Coordinator was moved to the Arrillaga Family Gymnasium. This position's responsibilities have added an additional \$128,000 in revenue from Special Events, Outdoor Facility Rentals, Tennis Court Keys, and Performing Arts Center rentals that are now being processed by the temporary administrative staff located at the Gym.

In addition, the City's two other new facilities have greatly expanded hours and programming as well, also detailed in Attachment A. Most notably, facility rentals at the Recreation Center have increased from 61 in 2010-11 to 148 in 11-12 and are projected to increase even further in the current year. The number of rental hours at the new Gymnastics Center have already reached over 1200 in the six months since that buildings opening, compared to no rentals in the facility previously. Cost recovery has also increased dramatically at all three facilities.

## **ANALYSIS**

### **Staffing**

After evaluating the most appropriate staffing levels at the Arrillaga Family Gymnasium for the past two years, staff is recommending transferring a vacant FTE from elsewhere in the Department to add an Office Assistant to support the significant increase in programming and operational responsibilities at that site. This would be consistent with the staffing model at the Arrillaga Family Recreation Center and Arrillaga Family Gymnastics Center. Both of these facilities, which have comparable revenues to the new gym, have support staff in the form of an Office Assistant or Secretary. These two full-time staff process a majority of registrations, rentals, deposits, and handle all



general front desk operations at their respective locations. Currently, the temporary staff responsible for administrative support at the new Gym have a work restriction of 1000 hours per year; therefore, most are limited to working 4-hour shifts per day. The lack of a full-time, skilled person in this position also limits the additional contractors, rentals and programming that can be managed by the Recreation Coordinator at the Gym.

The new Office Assistant will support the Youth and Adult Sports (YAS) Recreation Coordinator with the increased responsibilities resulting from the new facility as well as coordination of all youth and adult class contractors, which has been transferred to the YAS Recreation Coordinator from the Recreation Coordinator at the Arrillaga Family Recreation Center to help balance the increased workload there. In addition, there has been an increase in new contractors now partnering with the City to offer additional classes at the new Gymnasium. The Office Assistant would assist with tracking contract paperwork, processing payments, and helping with on-going communication with the contractors regarding rosters or registration issues. With the support of an Office Assistant, the capacity to take on more contractors would be possible.

Another significant workload increase in the past two years has been facility rentals at the Gym and sports field rentals with the addition of Kelly Park. Facility rentals have grown by more than 10 times compared to the Burgess Gym and use of the Sports Fields has increased by approximately 25%. The Office Assistant will assist with the high volume of invoices, process payments, and coordinate scheduling of the rental facilities. Lastly, the Office Assistant will also support the other functions now housed at the Arrillaga Family Gymnasium including assisting with marketing, participant surveys, or coordinating safety trainings. Temporary staff currently working the front desk generally lack the skill set needed for these duties.

Staff is proposing utilizing a vacant .75 FTE from the Belle Haven Child Development Center (BHDCDC) to create this position. This FTE is not currently needed at the CDC since the State of California decreased funding for the program and forced the BHDCDC to operate three classrooms instead of four. The transfer will help decrease the BHDCDC's budget. The .75 FTE is not adequate, however, as the workload and proposed staffing schedule at the Arrillaga Family Gym requires a 40-hour Office Assistant; therefore, staff recommends approval of an additional .25 FTE to be added to the vacant .75 FTE. Adding FTE's requires City Council authorization. The move also helps align staff resources with workload and programs likely to increase cost recovery to improve long term sustainability. If the additional .25 FTE is not approved, it is likely that staff would not have the capacity to maximize utilization of the Gym and continue increasing the level of cost recovery for the facility.

### **Custodial Services**

In September of 2010 the City Council authorized the City Manager to enter into a custodial contract with Significant Cleaning Services. In 2011-12, the new Arrillaga Recreation Center and Gymnastics Center were added to their scope of work with five day a week service at the Recreation Center and seven day a week service as the

Gymnastics Center. Due to the increased use of the Recreation facility, including the high volume of weekend rentals, staff is requesting custodial service be increased to seven day service for the Recreation Center. The annual cost increase is approximately \$12,000; \$7,000 would be needed for the remainder of fiscal year.

Additionally, with the increase in rentals at all of the facilities, many rooms require extra cleaning not in the custodial services contract scope of work when renters, as required by their rental contract, do not clean up after themselves. Staff has also noted that increased use of the buildings and the nature of some of the high quality finishes require additional custodial work such as more regular carpet cleaning, vinyl and wood floor cleaning with specialized equipment, wall cleaning, and tile and grout cleaning. Staff is requesting authorization to increase Significant Cleaning Services annual contract by 10% (included in the contract as contingency) to account for these additional services above the basic service.

### **IMPACT ON CITY RESOURCES**

The Office Assistant salary and benefits will be approximately \$60,000. The General Fund Community Services Department budget already includes the cost of .75 of this position (budgeted at the BHCDC at \$45,000). The proposed Office Assistant position will decrease the temporary staff budget by \$40,000 per year, saving the General Fund approximately \$25,000. Additionally, staff is anticipating an increase in revenue of approximately 10% (\$75,000) for FY12-13 based on the increase in contract classes, further reducing any budgetary impact caused by the addition of this .25 FTE. With the support of an Office Assistant, the capacity to recruit and manage more contractors will increase, so there is potential for additional revenue in the coming years and cost recovery is anticipated to improve overall.

The improved revenues should also offset the increase in budget needed for the additional custodial services. These additional expenses and revenues will be reconciled with the mid-year budget adjustments. Significant Cleaning Services contract extends until the end of 2013-14 with the option to extend the contract for up to four one-year extensions. The cost of Significant Cleaning Services to clean all the City facilities, which includes this additional service for a full year, is \$235,000 for 2012-13. The full year's costs of \$240,000 will be included in the 2013-14 Budget.

### **POLICY ISSUES**

Adding FTE's requires City Council authorization. City-wide, Council has reduced the number of FTEs by 14.5 in the last three years in order to improve sustainability of City services. The Community Services Department has added services and expanded programming during that time frame without any increase in FTEs. More importantly, Community Services' cost recovery, overall, has improved 14% in the past 5 years and decreased General Fund contributions for these activities by approximately \$950K. Approval of these operational changes supports Council's goals of improving services to the community while maintaining a sustainable budget.

**ENVIRONMENTAL REVIEW**

Approval of the recommendation does not represent a project under the California Environmental Quality Act.

Signature on File  
Katrina Whiteaker,  
Recreation Manager

Signature on File  
Ruben Nino,  
Assistant Public Works 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.

**ATTACHMENT:**

A: Comparison of Use - New Recreation Facilities vs Previous Facilities

## Comparison of Use

### New Recreation Facilities vs Previous Facilities

#### Arrillaga Family Gymnasium

The table below shows the comparisons between the Burgess Gymnasium in FY2008-2009 and the FY 2011-12 figures for Arrillaga Family Gymnasium.

<b>ANNUAL COMPARISONS</b>	<b>BURGESS GYM FY08-09</b>	<b>ARRILLAGA FAMILY GYM FY11-12</b>
Number of Operating Hours	3,216	5,759
Number of Classes	12	27
Number of Gym Rental Groups	4	57
Number of Gym Rental Hours	988	4,660
Number of Leagues	5	6
Total Number of Participants	9,000	25,000
Number of Sports Field Rental Groups (reoccurring and 1-time rentals)	49	87
Number of Sports Field Hours Used	22,826	29,397
Total FTE	2	2
Revenue (Youth Sports, Adults Sports, and Sports Fields only)	\$370,211	\$786,771
Expenses	\$467,842	\$669,369
Cost Recovery (direct)	79%	118%

## Arrillaga Family Recreation Center

The table below shows the annual comparisons between the Burgess Recreation Center in FY2008-2009 and the figures for Arrillaga Family Recreation Center for FY 2011-2012.

<b>ANNUAL COMPARISONS</b>	<b>BURGESS RECREATION CENTER (FY08-09)</b>	<b>ARRILLAGA FAMILY RECREATION CENTER (FY11-12)</b>
Total Number of Class Hours	7808	8629
Total Number of Classes	586	699
Total Number of Participants	4764	6165
Number of Facility Rentals	61	148
Total FTEs	2.5	3.5
Revenue	\$622,056	\$717,715
Expenses	\$777,608	\$750,866
Cost Recovery (direct)	80%	96%

## Arrillaga Family Gymnastics Center

The table below shows the annual comparisons between the Burgess Gymnastics Center in FY2010-2011 and the estimated figures for Arrillaga Family Gymnastics Center for FY 2012-2013.

<b>ANNUAL COMPARISONS</b>	<b>BURGESS GYMNASTICS CENTER (FY10-11)</b>	<b>ARRILLAGA FAMILY GYMNASTICS CENTER (Est FY 12-13)</b>
Number of Class Hours	7,029	9,534
Number of Classes	747	852
Total Number of Participants	4,466	5,371
Number of Rental Hours	0	1,296
Total FTEs	5.5	6.5
Revenue	\$675,472	\$939,000
Expenses	\$617,355	\$874,317
Cost Recovery (direct)	109%	107%



**CITY COUNCIL  
SPECIAL AND REGULAR MEETING MINUTES**

**Tuesday, June 5, 2012 at 6:15 p.m.  
701 Laurel Street, Menlo Park, CA 94025  
City Council Chambers**

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Mayor Keith called the Special Meeting to order at 6:15 p.m. with all members present.

There were no members of the public present to speak. The Council went into Closed Session at 6:16 p.m.

**CL1.** Conference with legal counsel pursuant to Government Code Section 54956.9(c) regarding potential litigation - 1 case

Closed Session was adjourned at 6:58 p.m.

Mayor Keith called the Regular Meeting to order 7:00 p.m. with all members present.

**REPORT FROM CLOSED SESSION**

**ACTION:** The City Council voted unanimously to initiate litigation on a Below Market Residence that is in foreclosure.

**ANNOUNCEMENTS**

**A. PRESENTATIONS AND PROCLAMATIONS:** None

**B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS:** None

**C. PUBLIC COMMENT #1**

- Fran Dehn stated that the Chamber of Commerce has new phone applications that will be in effect tomorrow. She also provided the Council with the Chamber of Commerce Business Directory 2012-13.

**D. CONSENT CALENDAR**

**D1.** Waive the reading and adopt an ordinance approving the Development Agreement for the property located at 1601 Willow Road ([Staff report #12-085](#))

**ACTION:** Motion and second (Cline/Ohtaki) to adopt **Ordinance No. 978** approving the Development Agreement with Facebook Inc. and Wilson Menlo Park Campus, LLC for the property located at 1601 Willow Road passes unanimously.

**E. PUBLIC HEARING**

**E1.** Consider Planning Commission recommendation to approve the El Camino Real/Downtown Specific Plan and associated final Environmental Impact Report (EIR), General Plan amendments, Zoning Ordinance amendments and rezonings; consider

amendment to the City's Master Fee Schedule to add a Specific Plan Preparation Fee ([Staff report #12-084](#))

**NOTE:** City Attorney, Bill McClure announced he is recused from the item due the location of his law firm's office and left the meeting at 7:21 p.m.

Staff presentation by Thomas Rogers, Associate Planner ([PowerPoint](#))

Also present: Arlinda Heineck, Community Development Director; Karen Tiedemann, Outside Attorney; and Prakash Pinto and Mark Hoffheimer from Perkins+Will.

**NOTE:** Council Member Fergusson announced she is recused from the El Camino Real South-East and El Camino Real South West zoning districts due to of her husband's employer and will be leaving the meeting during discussions in these districts.

**NOTE:** Vice Mayor Ohtaki announced he is recused from the El Camino Real South West zoning district due to property he recently sold and will be leaving the meeting during discussions in this district.

The Public Hearing was opened at 8:04 p.m.

#### Public Comment

- Ciya Martorana stated that she would like convenient and abundant parking and she is opposed to food trucks downtown.
- Clem Molony appealed to the public to trust fellow citizens and the process thus far.
- Pat White stated the Plan does not fit the community.
- Mark Mongird commented on amending the zoning to make the downtown area more vibrant.
- Charlie Bourne stated that the Plan will severely impact the traffic in the downtown area. He suggested that the Council dump the Plan. ([Letter](#))
- Sam Sinnott thanked the Council for the five year process that has taken place. He is supportive of the Plan however public benefits and bonuses should be amended. ([Handout](#))
- Margaret Carney spoke about the Farmer's Market on Sundays and asked the Council not to approve any Plan that would have a negative impact on the Market.
- Frank Carney stated throughout the process the most common comments were about maintaining the character of downtown and the small town village. He urged the Council not to approve the Plan as is.
- Peter Palm asked if the parking structure would provide additional parking, would parking be available for Sunday church parking and he is opposed to having permanent food trucks.
- Jeff Pollock made a presentation regarding public benefits. ([PowerPoint](#))
- Mary Gilles thanked Thomas Rogers and the Planning Commission for the outstanding work and numerous hours that have gone into the creation of the Plan. It is time to take the risk and move forward and urged the Council to approve the proposed Plan.
- Vincent Bressler stated that the Stanford land does not have a lot of risks discussed in the staff presentation. He stated that the Planning Commission only had thirty minutes to discuss public benefit and make a decision.
- Michael Moore suggested taking caution with the density in the Plan.
- Patti Fry gave a presentation focusing on public benefit bonus and the process. ([PowerPoint](#))



- Halle Hewitt stated she has concerns that the residents have not been listened to, but rather the businesses. The biggest concern should be what the residents and businesses want and not the City Council or staff wants.
- Harold Schapelhouman, Menlo Park Fire Protection District (MPFPD), commented on the overall Plan. They are hoping to continue working with staff and that a provision be placed in the Plan to build the Fire Station (#6 expansion) as a public safety facility and to allow greater flexibility with the development standards so that they can build a fire station to meet the needs of the community.
- Tim Cremin, MPFPD, discussed public benefit fees and the fair share being paid by all. The Fire District has asked for a special provision to be added to the Plan.
- Virginia Kiraly, MPFPD, stated that it is not the MPFPD's intention to change the Plan. She restated the request for the two provisions mentioned by the previous two speakers from the MPFPD.
- Henry Riggs stated that most of the community is in favor of the zoning changes in the Plan. He criticized K. Fergusson on her email yesterday regarding public benefits.
- Michelle Daher spoke to adding Sharrows throughout town. Slowing down the transportation in the downtown is not a negative as it gets people out of their cars.
- Cassandra Pelanyo stated that she bikes around town and she would like bicycle safety to be considered. She would like to have El Camino Real be a bicycle friendly road.
- Adina Levin, Silicon Valley Bicycle Coalition, stated that El Camino Real is the most direct route and she appreciates the section in the Plan that discusses Sharrows. She encouraged the Council adopt the Planning Commission recommendations. She further suggested potential future studies that could be done.
- Richard Draeger, Draeger's Market, thanked the Council for the five year process and they are in favor of portions of the Plan. The parking implementation of the parking needs to be in place prior to the Plan going into effect.
- Andrew Boone discussed the fact that El Camino Real is currently not bicycle friendly and showed some pictures of suggestions for improvement ([Pictures](#))
- David Alfano spoke regarding having the transportation modes represented other than cars and parking. He commented on the schools being impacted with additional homes.
- Matt Matteson congratulated the City on such an open public process. The process that made the Plan was conclusive, thorough and very open. He stated that it makes sense to trust the work of the Planning Commission, Staff and the Consultants. He fully supports the Plan.
- Richard Li stated to move the Plan forward even though it may not be perfect. The Plan will succeed on the possibility of persuading investors to come to Menlo Park.
- Kim Lemieux urged the Council to approve the proposed Plan. After 5 years of process and public comment it is a move in the right direction. Getting people out of their cars will make the downtown more vibrant.
- Cherie Zaslowsky suggested the Council follow the suggestions made by Council Member Fergusson in her email from yesterday. She stated that the Plan is not the will of the people. She stated that just because the Plan started five years ago doesn't make is a good Plan.
- Jo Eggers stated that she echoes what Richard Draeger stated earlier. The business owners need to work together.
- Nell Triplett she stated that she is an avid supporter of the Plan. She stated that the Plan has been such an inclusive and public process as demonstrated by the array of comments made tonight.
- Lawrence Zaro thanked the Council for listening to the business owners and residents. He asked that the conflict over residential areas in the downtown be addressed. He

addressed food trucks taking up parking spaces in the parking lots. He urged the Council to keep the small town downtown.

- Skip Hilton thanked the Council and Planning Commission for their hard work on the Plan. He stated that outreach has been good and there have been multiple ways of commenting on the Plan. He stated that Menlo Park has a problem with change. The Plan is a good Plan and urged the Council to move forward and approve the Plan.
- Steve Elliott, Stanford University, requested some clarification on the property adjacent to the Stanford properties. Stanford University is supportive of the Plan and it moves the City forward.
- Dexter Chow stated that it is time to move forward with a unified Plan that addresses the needs of the future for downtown. There is considerable good in the Plan and urged the Council will approve the Plan.
- Fran Dehn, Chamber of Commerce, stated that the Chamber supports the Plan as it defines an envelope for use. The Chamber of Commerce applauds the process and urged the Council to approve the Plan. ([Letter](#))

**NOTE:** Council Member Fergusson left and returned to the meeting as follows during the Public Hearing:

- 8:39-8:42 during comments made by Vincent Bressler
- 9:35-9:38 during comments by Cherie Zaslowsky
- 9:47-9:51 during comments by Steve Elliott from Stanford University

**ACTION:** Motion and second (Fergusson/Cline) to close the Public Hearing at 9:56 p.m. passes unanimously.

The Council discussed questions and concerns raised during the Public Hearing.

**NOTE:** Council Member Fergusson left and returned to the meeting as follows during Council discussions and voting due to her previously announced conflict:

- 10:01-10:02 Stanford properties
- 10:25-10:26 Stanford properties
- 10:27-10:33 EIR discussion
- 11:28-11:29 Stanford properties
- 11:48-11:50 Side setbacks on ECR
- 12:07-12:08 Middle Avenue bicycle-pedestrian crossing as a Public Benefit Bonus Element
- 12:18-12:23 Stanford properties
- 12:25-12:27 ECR South East and South West

**NOTE:** Council Member Ohtaki left and returned to the meeting as follows during Council discussions and voting due to his previously announced conflict:

- 10:27-10:33 EIR discussion
- 11:48-11:50 Side setbacks on ECR
- 12:26-12:27 ECR South West

**ACTION:** Motion and second (Cline/Fergusson) to certify the Final Environmental Impact Report (EIR), adopt the Mitigation Monitoring and Reporting Program (MMRP), and to make the Findings and to adopt the Statement of Overriding Considerations for the El Camino Real/Downtown Specific Plan passes 2-0-1-2 (Ayes: Cline, Keith; Noes: None; Abstain: Cohen; Recused: Fergusson, Ohtaki)

**ACTION:** By consensus the Council gave direction to establish an advisory task force for downtown parking issues. The task force will meet on a regular basis, be comprised of membership such as a City Council Member, Transportation Commissioner, Chamber of Commerce, business owner, property owner, etc. Parking impacts of the Chestnut Paseo and Market Place are identified as key issues to evaluate.

**ACTION:** By consensus, starting with the next fiscal year, include the Parking Management Plan as a regular item to consider as part of the Capital Improvement process.

**ACTION:** By consensus the Council endorsed the Planning Commission recommendation to allow for alternate verification of LEED requirements.

**ACTION:** By consensus the Council retained the density/intensity thresholds as proposed but will review in one year.

**ACTION:** Motion and second (Fergusson/Cohen) to split the Floor Area Ratio (FAR) mid-way between the recommendation in the staff report versus current zoning and to review in one year and then every two years after that fails 2-3 (Ayes: Cohen, Fergusson, Noes: Cline, Keith, Ohtaki).

**ACTION:** Motion and second (Ohtaki/Cline) to approve the FAR as recommended in the Plan and to review in one year passes 3-1-1 (Ayes: Cline, Keith, Ohtaki; Noes: Fergusson; Abstain: Cohen).

**ACTION:** Motion and second (Cohen/Cline) to approve the changes to the setbacks on El Camino Real as in the below chart passes 3-0-0-2 (Ayes: Cline, Cohen, Keith; Noes: none; Abstain: none; Recused: Fergusson, Ohtaki).

<u>District</u>	<u>Min</u>	<u>Max</u>	
<u>ECR NE-L</u>	<u>10'</u>	<u>25'</u>	<u>no change</u>
<u>ECR NE</u>	<u>0' ground level</u> <u>10' upper level(s)</u>	<u>25'</u>	
<u>ECR NE-R</u>	<u>0' ground level</u> <u>10' upper level(s)</u>	<u>25'</u>	
<u>ECR SE</u>	<u>10'</u>	<u>25'</u>	<u>no change</u>
<u>ECR NW</u>	<u>n/a</u>	<u>n/a</u>	<u>no change</u>
<u>ECR SW (South of Live Oak Avenue)</u>	<u>5'</u>	<u>25'</u>	<u>no change for majority of area</u>
<u>ECR SW (North of Live Oak Avenue)</u>	<u>0' ground level</u> <u>5' upper level(s)</u>	<u>25'</u>	<u>new geographic distinction</u>

**ACTION:** Motion and second (Cohen/Fergusson) to approve adding language and revised diagrams in the Final Specific Plan that bulb-outs are a full option that should be considered, subject to project-specific outreach and review, and revise diagrams to show them as an option (along with retaining the existing curb line) passes 3-2 (Ayes: Cline, Cohen, Fergusson; Noes: Keith, Ohtaki).

**ACTION:** By consensus the Council agreed to review the Plan after one year and then every two years after that.

**ACTION:** By consensus the Council agreed to prioritize Middle Avenue bicycle-pedestrian crossing as a Public Benefit Bonus element (Fergusson recused).

**ACTION:** Motion and second (Cohen/Fergusson) to insert the following text to the “Non-Parking Improvements on Downtown Parking Plazas” section and the Land Use row of the Downtown (D) passes unanimously.

Except as specifically provided in the Specific Plan, the downtown public parking plazas shall remain in parking use.

**ACTION:** By consensus the Council endorses the concept that specifies that contiguous parcels under common ownership may be reviewed and approved comprehensively, with potential caveat about City discretion/oversight. (Fergusson recused)

**ACTION:** Motion and second (Cline/Ohtaki) to approve the following actions passes unanimously:

**Resolution No. 6072:** A resolution of the City Council of the City of Menlo Park amending the General Plan Land Use Designation and to change the Land Use Designation for property located in the Specific Plan Area (Applicable to all Specific Plan Districts except El Camino Real South-East and South-West) passes unanimously.

**Resolution No. 6073:** A resolution of the City Council of the City of Menlo Park approving and adopting the El Camino Real/Downtown Specific Plan applicable to all Specific Plan Districts except El Camino Real South-East and South-West passes unanimously.

An Ordinance of the City of Menlo Park amending Title 16 of the Menlo Park Municipal Code to incorporate the El Camino Real/Downtown Specific Plan was introduced.

An Ordinance of the City of Menlo Park rezoning properties located in the El Camino Real/Downtown Specific Plan Area (Applicable to all Specific Plan Districts except El Camino Real South-East and South-West) was introduced.

**ACTION:** Motion and second (Ohtaki/Cline) to approve the following actions passes 4-0-1 with Council Member Fergusson recused.

**Resolution No. 6074:** A resolution of the City Council of the City of Menlo Park amending the General Plan to add the El Camino Real/Downtown Specific Plan Land Use designation and to change the Land Use designation for property located in the Specific Plan Area (applicable to El Camino Real South-East District).

**Resolution No. 6075:** A resolution of the City Council of the City of Menlo Park approving and adopting the El Camino Real/Downtown Specific Plan for the El Camino Real South-East District.

An Ordinance of the City of Menlo Park rezoning properties located in the El Camino Real/Downtown Specific Plan Area (Applicable to the El Camino Real South-East District) was introduced.

**ACTION:** Motion and second (Cline/Cohen) to approve the following actions passes 3-0-0-2 (Recused: Fergusson, Ohtaki):

**Resolution No. 6076:** A resolution of the City Council of the City of Menlo Park amending the General Plan to add the El Camino Real/Downtown Specific Plan Land Use designation and to change the Land Use designation for property located in the Specific Plan Area (applicable to El Camino Real South-West District).

**Resolution No. 6077:** A resolution of the City Council of the City of Menlo Park approving and adopting the El Camino Real/Downtown Specific Plan for the El Camino Real South-West District.

An Ordinance of the City of Menlo Park rezoning properties located in the El Camino Real/Downtown Specific Plan Area (Applicable to the El Camino Real South-West District) was introduced.

**ACTION:** Motion and second (Cline/Fergusson) to approve **Resolution No. 6078** amending City fees and City charges to establish an El Camino Real/Downtown Specific Plan Preparation Fee passes unanimously.

**F. REGULAR BUSINESS**

**F1.** 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:** None

**J. COUNCILMEMBER REPORTS**

**NOTE:** Council Member Cohen announced his recusal on High Speed Rail and left the meeting at 12:32 a.m.

Council Member Fergusson discussed new information on the High Speed Rail project. A letter will be sent out today (Wednesday, June 6) to Senator Simitian.

**K. PUBLIC COMMENT #2**

Andrew Boone talked about bicycle lanes and extended an offer to take the Council Members on a bicycle ride.

**L. ADJOURNMENT**

The meeting was adjourned at 12:36 a.m. Wednesday, June 6, 2012.



Margaret S. Roberts, MMC

City Clerk

Minutes accepted at the Council meeting of



**CITY COUNCIL  
SPECIAL AND REGULAR MEETING MINUTES**

Tuesday, October 30, 2012 at 5:30 p.m.  
Menlo Park Council Chambers  
701 Laurel Street, Menlo Park, CA 94025

The Closed Session was called to order by Mayor Keith at 5:30 p.m. with all members present.

There were no members of the public present.

**CL1.** Conference with legal counsel pursuant to Government Code 54956.9: Provide direction on a late claim request regarding *Lucius/Maude Barker BCJP-17031A* ([Attachment](#))

**The City Council sitting as the Successor Agency to the former Menlo Park Community Development Agency for the following two items.**

**CL2.** Conference with legal counsel pursuant to Government Code 54956.9(c)  
Potential litigation - 1 case  
Police substation 1283-1299 Willow Road

**CL3.** Conference with real property negotiators pursuant to Government Code 54956.7  
Property: 777 – 821 Hamilton Avenue  
Agency Negotiators: Bill McClure and Alex McIntyre  
Under negotiations: Sale of property including price and negotiation parameters

Mayor Keith called the Regular Session to order at 7:10 p.m. with all members present.

Mayor Keith led the Pledge of Allegiance.

**REPORT FROM CLOSED SESSION**

**ACTION:** CL1: The Council voted unanimously (5-0) to reject the late claim *Lucius/Maude Barker BCJP-17031A*. There was no reportable action on Items CL2 and CL3.

**ANNOUNCEMENTS**

- Caltrain Holiday Train will be in Menlo Park at 7:45 p.m. on Sunday, December 2<sup>nd</sup>
- The County Board of Supervisors approved an EIR and ordinance at their October 23, 2012 meeting. The City of Menlo Park is participating with most jurisdictions in San Mateo County in the EIR, and will be proposing that the City Council adopt the same model ordinance.
- Menlo Park will hold informative community meeting on December 12, 2012 at 6:30 at the Recreation Center to discuss the ordinance and hear community feedback.
- The ordinance will be proposed to City Council in January 2013
- If passed, ordinance would likely become effective April 22, 2013-Earth Day.

**A. PRESENTATIONS AND PROCLAMATIONS:** None

**B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS:** None

**C. PUBLIC COMMENT #1**

- The following people spoke in opposition to high density housing and/or having a homeless shelter in Linfield Oaks:
  - Lucy Calder
  - Susan Connelly
  - Juliana (no last name provided)
  - JoAnne Goldberg
  - Rob McCool
  - Vincent Bressler
  - Nancy Hosay
  - Rosario Rodolfo
  - Charles Preuss
  - Ann Diederich
  - Veneta Kanelakos
  - Charles Jagoda
  - Dole Holmes
- Roland Kelly requested the Council to consider at a future meeting an ordinance banning loitering in center medians.
- Aram James spoke regarding a safe parking program. ([Handouts](#))

**D. CONSENT CALENDAR**

**D2.** Accept the minutes of the October 22 and 23, 2012 minutes ([Attachment](#))

**ACTION:** Motion and second (Cohen/Fergusson) to accept the minutes of October 22 and October 23, 2012 passes unanimously.

**D1.** Approve the Rail Council Subcommittee Mission Statement and Statement of Principles, and the Council Position Summary on Rail/High Speed Rail issues ([Staff report #12-160](#))  
This item was pulled from consent for discussion by Mayor Keith.

**NOTE:** Council Member Cohen and City Attorney Bill McClure announced they have a conflict on the item due to proximity of their property and left the meeting at 7:56 p.m.

Public Comment

Adina Levin, Friends of Caltrain, spoke about an inconsistency between two of the attachments to the staff report.

**ACTION:** Motion and second (Fergusson/Ohtaki) to approve the Rail Council Subcommittee Mission Statement and Statement of Principles, and the Council Position Summary on Rail/High Speed Rail issues as in the staff report passes by the following votes:

Ayes: Cline, Fergusson, Ohtaki  
Noes: None  
Abstain: Keith  
Recused: Cohen

**NOTE:** Council Member Cohen and City Attorney Bill McClure returned to the City Council meeting at 8:08 p.m.

**E. PUBLIC HEARING:** None

## F. REGULAR BUSINESS

- F1. Direction on the parameters for negotiating the Development Agreement for the Facebook West Campus Project located at the intersection of Bayfront Expressway and Willow Road ([Staff report #12-161](#))

Staff presentation by Rachel Grossman, Associate Planner ([PowerPoint](#)) ([Handout](#))

Facebook presentation by: ([PowerPoint](#))

- John Tenanes – Director of Real Estate (Facebook)
- Craig Webb – Partner (Gehry Partners)
- David Ebersman – Chief Financial Officer (Facebook)

### Public Comment

- Louise DeDera requested that the Council not request more from Facebook than what is fair.
- Halle Hewitt spoke in favor of Facebook and their support of Jobtrain.
- William Nack, SM County Building Trades Council, spoke in support of the Facebook West Campus Project.
- Mark Leach spoke in support of moving forward with the Facebook West Campus Project.
- Bob Power spoke in support of the Facebook West Campus Project and there will be unforeseen benefits.
- Tamara Fagin, Fit Kids Foundation, stated that they receive a lot of support from Facebook with their program and urged the Council to move forward with the project.
- Sharon Williams, Jobtrain executive director, encouraged the Council to move forward with this project as Facebook has been an asset to the community and the graduates of Jobtrain.
- David Tuipulotu spoke in favor of the Facebook Project.
- Opha Wray, Mt. Olive Church, spoke in favor of the Facebook Project as they have been a great partner with the community.
- Victor Torreano, Sheetmetal Workers, spoke in favor of the Facebook Project and all of the jobs that it will bring to the community.
- Ian Perkins spoke in support of the Facebook Project and the West Campus will be an attraction that brings people to Menlo Park.
- Adina Levin spoke in support of the Project and the thoughtful environmental work that is being included in the project.
- Fran Dehn, Menlo Park Chamber of Commerce, spoke in favor of the Facebook Project and pointed out that Facebook will take a contaminated site into a Silicon Valley icon.
- Mike Wallau spoke in support of Facebook as they have made a difference with small businesses in the community.
- Nevada Merriman spoke in favor of the project and encouraged the Council to move forward with the project.
- Kau Lubarsky, Jobtrain Marketing, stated that Facebook has been a great partner. Facebook has done tremendous things in the community and has already shown the impact on so many lives.
- John Asenso spoke in favor of Facebook for their contributions to Jobtrain and the lives that are being turned around because of their generosity.
- Jo Gonzales spoke in support of moving the Facebook Project forward.

**ACTION:** There was no formal action on the item.



**F2.** Council review and possible direction regarding a proposed hotel at 555 Glenwood Avenue and associated use definition, public benefit bonus, parking rate and use of the Garwood Way right-of-way ([Staff report #12-162](#))  
Staff presentation by Thomas Rogers, Senior Planner

**NOTE:** Council Member Cohen announced that he has a conflict of interest in the item due to the proximity of his property and left the meeting at 10:02 p.m.

Speaking on the item:

Sand Hill Properties:

- Reed Moulds (main applicant)
- Mark Lin (hotel specialist)

Casa on the Peninsula:

- Ann Villapando (corporate executive director)

Public Comment

- Steve asked how length of stay is calculated, and commented on parking spaces on Garwood Way.
- Adina Levin stated her concerns around the permanent granting of the 29 parking spaces on Garwood Way as well as a major north/south route.

**ACTION:** There was no formal action on the item.

**F3.** 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:** None

**J. COUNCILMEMBER REPORTS**

**K. PUBLIC COMMENT #2:** None

**L. ADJOURNMENT**

The meeting was adjourned at 11:35 p.m.



Margaret S. Roberts, MMC

City Clerk

Minutes accepted at the Council meeting of

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# POLICE DEPARTMENT

Council Meeting Date: November 13, 2012  
Staff Report #: 12-163

Agenda Item #:E-1

**Public Hearing: Adopt an Interim Ordinance of the City Council of the City of Menlo Park Extending the Temporary Moratorium on the Establishment of Payday Lenders and Auto Title Lenders within the City of Menlo Park**

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## RECOMMENDATION

Staff recommends that the City Council adopt an interim ordinance extending the temporary moratorium on the establishment of payday lenders and auto title lenders within the City of Menlo Park.

## BACKGROUND

On September 11, 2012, the Police Department presented to the City Council, information on pursuing regulation or a possible ban of payday and auto title lenders, also known as alternative financial services (AFS). AFS and traditional federally-insured banks form a two-tiered financial services industry. This two-tiered financial services industry is the result of the inability of low-income consumers with poor credit history to obtain certain services from federally insured banks. Often times it is these lower-income and financially vulnerable customers that rely on alternative financial services, which are predatory by the nature in which they lend money. Below are descriptions of auto title lenders and payday lenders.

Auto title lenders are businesses that give loans against a borrower's title to their vehicle. Typically, a borrower would bring their vehicle to a lender, who would inspect it, and provide a loan for up to half the value of the vehicle. If the loan amount is under \$2,500, State law provides interest rate caps and regulations. In the event that the loan is greater than \$2,500, there is no cap on the annualized interest rate and interest rates can range from 6.5% to 15% per month. If a loan is defaulted on, the borrower's vehicle is forfeited.

Payday lenders offer borrowers short-term loans in which the lender provides immediate cash to the borrower in exchange for a post-dated check (to be cashed on the borrower's next payday). In addition to the principal amount advanced to the borrower, the value of the borrower's check includes the fee charged by the lender for the loan. Under California law, payday loans, also referred to as cash advances or deferred deposit transactions, have a \$300 limit on the face value of the check and a 15% fee cap. Thus, a borrower who wishes to borrow the maximum amount would write a check for \$300 to a payday lender in exchange for \$255 in immediate cash. As an example, the borrower would pay \$45 to receive \$255 a few weeks before their next payday. This

15% fee for a loan over a few weeks works out to a very high interest rate. In 2010, the average APR (annual percentage rate) for payday loans in California was 414%.

On September 11, 2012, the City Council voted unanimously to direct staff to prepare an interim ordinance establishing a temporary moratorium on the establishment of payday lenders and auto title lenders within the City of Menlo Park. On October 9, 2012 Ordinance 968 was passed unanimously by the City Council after a public hearing and notice pursuant to Government Code §65090. This interim ordinance establishing a temporary moratorium on the establishment of payday lenders and auto title lenders within the City of Menlo Park is in effect for a period of 45 days. Pursuant to Government Code Section §65858, the temporary moratorium can be extended for an additional 22 months and 15 days.

Attached is an ordinance extending the temporary moratorium on payday and auto title lenders for 22 months and 15 days.

## **ANALYSIS**

Adoption of an extension of the temporary moratorium on the establishment of payday and auto title lenders within the City of Menlo Park may have a positive impact especially on children, youth and seniors because these businesses have been found to negatively affect the financial stability of low-income communities in the surrounding cities and the City of Menlo Park. Since there is limited state and federal legislation restricting payday and auto title lenders, the City of Menlo Park would be following several other local jurisdictions who have decided to regulate these types of industries themselves.

During the past 45 days, staff has begun to explore all options, including a zoning ordinance restricting the locations where these AFS might be located or an outright ban. Staff has also begun researching possible legal challenges associated with these options. Staff has continued to participate with community outreach and work with community groups including Community Legal Services in East Palo Alto, the Center for Responsible Lending and representatives of San Mateo County Supervisor Gibson's office along with other elected officials.

Adoption of the proposed interim ordinance extending the temporary moratorium on the establishment of payday and auto title lenders within the City, will provide staff more time to continue and to expand community outreach about this issue and to research possible zoning options and potential legal challenges. It will also allow the ordinance time to work its way through the Planning Commission before coming back to the City Council. Finally, the extension will ensure that these businesses do not proliferate while the City Council considers enacting regulations affecting their operations within the City.

After notice and a public hearing, this interim ordinance must be passed by a four-fifths vote by the City Council. If the City Council adopts the extension of the temporary moratorium, it will remain in effect for 22 months and 15 days.

## **IMPACT TO CITY RESOURCES**

There is no fiscal impact for the proposed action, other than the staff time to investigate, develop, and process an ordinance for consideration. Any regulation through the City's zoning code would have to be considered by the Planning Commission before returning to the City Council.

## **POLICY ISSUES**

Adopting the proposed ordinance would extend the temporary moratorium on payday and auto title lenders and would allow staff and the City additional time to consider possible regulations, including zoning actions, related to these AFS businesses.

## **ENVIRONMENTAL REVIEW**

An interim ordinance extending a temporary moratorium on payday and auto title lenders is not subject to the California Environmental Quality Act (CEQA) because it is not a "project" which would have a direct physical change or a reasonably foreseeable indirect physical change on the environment pursuant to CEQA Guidelines §15378(b)(2). Furthermore, pursuant to CEQA Guidelines Section 15060(c)(2), this interim ordinance has no potential for resulting in physical change to the environment, directly or indirectly, because it prevents change in the environment pending the contemplated review of possible additions of amendments to the City of Menlo Park Municipal Code applicable to payday lending and auto title lending businesses.

*Signature on File*

\_\_\_\_\_  
Dave Bertini  
Police Commander

*Signature on File*

\_\_\_\_\_  
Lee Violet  
Interim Chief of Police

## **PUBLIC NOTICE**

Public notification was achieved by publishing a notice of this public hearing in *The Daily News* on or before October 31, 2012.

## **ATTACHMENTS:**

A. Ordinance

**ORDINANCE NUMBER**

**INTERIM ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
MENLO PARK EXTENDING THE MORATORIUM ON THE  
ESTABLISHMENT OF PAYDAY LENDERS AND AUTO TITLE  
LENDERS WITHIN THE CITY OF MENLO PARK**

The City Council of the City Menlo Park does hereby ordain as follows:

SECTION 1. In accordance with California Government Code Section 65858, the City Council of the City of Menlo Park hereby finds and declares that this Ordinance is deemed necessary for the following reasons:

A. The inability of low-income consumers with poor credit history to obtain certain services from federally-insured banks has resulted in a two-tiered financial services industry. More financially-stable consumers are generally able to use traditional banks, which charge lower fees for checking and issue loans regulated by the federal government. Lower-income, financially vulnerable consumers, however, often have to rely upon the alternative financial services (AFS) industry for the same services. Payday lending and auto title lending businesses, along with check casing businesses, are part of the growing AFS industry.

B. Payday lending businesses typically offer borrowers short-term loans in which the lender provides immediate cash to the borrower in exchange for a post-dated check to be cashed on the borrower's next payday. The lender charges a fee for the loan. California law currently caps individual payday loans at Three Hundred Dollars (\$300), from which a 15 percent fee can be deducted. For example, a borrower would write a check for Three Hundred Dollars (\$300) in exchange for Two Hundred Fifty-Five Dollars (\$255) in immediate cash. The end result is a very high interest rate. In 2010 the average annual percentage rate (APR) was 414 percent.

C. Studies have shown that most payday loan borrowers are not one-time customers. In 2010, California payday lenders issued 12 million payday loans to 1.6 million borrowers. According to a 2007 survey conducted by the California Department of Corporations, more than one-third of borrowers took out payday loans from multiple lenders at the same time. Studies have also shown that most of these businesses operate in low-income neighborhoods and target the most vulnerable consumers.

D. Auto title lenders are businesses that give loans against a borrower's title to their vehicle. Typically, a borrower would bring their vehicle to a lender, who would inspect it, and provide a loan for up to half of the value of the vehicle. If the loan amount is below Two Thousand Five Hundred Dollars (\$2,500), interest rate caps exist and regulations apply. If the loan is above that amount, there is no cap on the annualized interest rate. If a loan is defaulted on, the borrower's vehicle is forfeited.

E. In light of limited State and Federal legislation, recently several local governments have acted to curb the AFS industry, due to its negative effects on the most vulnerable populations. These jurisdictions include San Mateo County, Santa Clara County, San Jose, Los Altos, Pacifica and East Palo Alto. Currently, there are no payday lending or auto title lending businesses in Menlo Park and the City of Menlo Park does not regulate them. The City of Menlo Park does regulate check cashing businesses in Municipal Code Chapter 5.42. Because surrounding jurisdictions have taken steps to curb the AFS industry within their boundaries, these businesses may now seek to locate in Menlo Park and target the most vulnerable consumer's in Menlo Park and surrounding jurisdictions.

G. In light of the foregoing, the City Council finds the establishment of payday lending and auto title lending businesses within the City of Menlo Park presents a current and immediate threat to public health, safety and welfare of the City of Menlo Park. The City Council further finds that an extension of a temporary moratorium on the establishment of payday lending and auto title lending businesses within the City of Menlo Park is warranted and the City Council may review and consider possible additions or amendments to the City of Menlo Park Municipal Code to address this threat on a permanent basis.

SECTION 2. This ordinance extends the interim prohibition of the establishment of payday lending and auto title lending businesses within the City of Menlo Park adopted as Ordinance No. 986 on October 9, 2012 by a four-fifths vote of the City Council following notice pursuant to Government Code Section 65090 and a public hearing. This ordinance shall apply to the following uses, but shall not apply to check cashing businesses as defined and regulated by Menlo Park Municipal Code Chapter 5.42:

- A. Payday Lending Businesses: For purposes of this ordinance, the term "payday lending businesses" shall mean retail businesses owned or operated by a "licensee" as that term is defined in the California Financial Code Section 23001(d), as amended from time to time.
- B. Auto Title Lending Business: For purposes of this ordinance, the term "auto title lending businesses" shall mean motor vehicle title lenders who offer a short-term loan secured by the title to a motor vehicle.

SECTION 3. If any section of this ordinance, or part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or enforceable, such section, or part hereof, shall be deemed severable from the remaining sections of this ordinance and shall in no way affect the validity of the remaining sections hereof.

SECTION 4. The City Council hereby finds that this ordinance is not subject to the provisions of the California Environmental Quality Act (CEQA) because the activity is not a project as defined by Section 15378 of the CEQA Guidelines. The ordinance has no potential for resulting in physical change to the environment either directly or indirectly. Furthermore, pursuant to Section 15060(c)(2) of the CEQA Guidelines, the

activity will not result in a direct and reasonably foreseeable indirect physical change in the environment because this ordinance prevents changes in the environment pending the contemplated review of possible additions or amendments to the City of Menlo Park Municipal Code applicable to payday lending and auto title lending businesses.

SECTION 5. This ordinance is declared to be an urgency measure adopted pursuant to the provisions of Government Code Section 65858. As set forth in the findings above, this ordinance is necessary for preserving the public safety, health, and welfare. Pursuant to Government Code Section 65858, this ordinance is effective immediately and shall be in full force and effect for 22 months and 15 days from the date of its adoption.

SECTION 6. This City Clerk shall cause this ordinance to be published in a newspaper of general circulation as required by state law.

INTRODUCED, PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the thirteen day of November, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

\_\_\_\_\_  
Kirsten Keith  
Mayor

ATTEST:

\_\_\_\_\_  
Margaret S. Roberts, MMC  
City Clerk





## **SUCCESSOR AGENCY**

To the Community Development Agency of the City of Menlo Park

**Council Meeting Date: November 13, 2012**

**Staff Report #: 12-172**

**Agenda Item #: F-1**

**REGULAR ITEM:**            **Approve a Purchase and Sale Agreement with Greenheart Land Company for the Sale of Property Owned by the Former Redevelopment Agency Located at 777-821 Hamilton Avenue and Authorize the Executive Director of the Successor Agency to Execute the Agreement**

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### **RECOMMENDATION**

Staff recommends the City Council, acting as the Board of the Successor Agency of the Community Development Agency, approve a Purchase and Sale Agreement with Greenheart Land Company for the sale of property owned by the former Redevelopment Agency located at 777-821 Hamilton Ave for the total sum of \$8 million.

### **BACKGROUND**

In 2001, the City of Menlo Park Community Development Agency (Agency) purchased the various vacant and improved properties at 777 through 821 Hamilton Avenue with the intent of developing the consolidated property in order to implement the Amended and Restated Las Pulgas Project Area Plan and to eliminate blight in the Project Area.

The Hamilton Avenue East site is currently zoned M1 (light industrial). The site is approximately 2.1 acres and could potentially support up to 38 housing units in accordance with the site's current General Plan designation of R3 zoning density at 18.5 units per acre or up to 30 units per acre at the proposed density that is set forth in the preliminary draft Housing Element.

Industrial uses are present on both sides of the Hamilton Avenue East site. Most of the six owners of those properties have expressed interest in selling to a developer so that most, if not the entire block, can be included in any potential project. With all parcels along the north side of Hamilton Avenue included in the process, the total size of the project area would be 7.1 acres.

Prior to the Supreme Court decision to dissolve redevelopment agencies, the City Council had directed staff to work toward encouraging the development of the site, along with the adjacent properties, as a market rate housing development with a Below

Market Rate component (15% of all units) to address lower income affordability. Toward that end, City staff had released a Request for Qualifications to the development community to identify potential developers that would purchase the City's property and attempt to aggregate the adjoining lots for a larger development project. The City was in the middle of that effort when the court decision dissolved the Community Development Agency and forced the disposition of Agency assets.

The Oversight Board approved an appraisal of the property in April, 2012 and on June 27, 2012, directed the Successor Agency to release a Request for Proposals (RFP) to identify a commercial realtor to list the property for sale, the proceeds from which would be disbursed by the County. Three responses were received and reviewed by City/Successor Agency staff. Based on a comprehensive analysis and evaluation of the proposals, all submitting firms appeared qualified, however Cassidy / Turley Commercial Real Estate Services of Menlo Park was selected based on the comprehensiveness and thoroughness of their proposal and the favorable listing commission. Following approval of Cassidy / Turley's selection by the Oversight Board on August 8, 2012, the City Attorney negotiated a listing agreement and work began to determine an appropriate asking price for the site, communicate with adjacent property owners about the prospects for the sale of other properties on Hamilton Avenue, and to market the property for sale.

Cassidy/Turley developed marketing materials for the property and circulated them among prospective buyers, including well over 100 developers, the Silicon Valley brokerage community and through various online services. The marketing campaign for the property generated substantial interest and the Community Development Department addressed numerous questions regarding potential parking restrictions, zoning and potential densities for the property.

On October 18, 2012 bids for the property were opened and included 14 proposals ranging in price from \$3.1 million to \$7.8 million and proposing a variety of housing projects on the site and outlining various terms and contingencies. The top four proposers were then asked to respond to various questions, provide additional information about their proposed developments and submit their last, best and final offers. These proposals were reviewed by the Council sitting as the Board of the Successor Agency in closed session on October 30, and Council provided the City Attorney with direction to meet with the Oversight Board in closed session to obtain authority to negotiate a Purchase and Sale Agreement with Greenheart Land Company. The Oversight Board met in closed session on Monday, November 5, and authorized the City Attorney to negotiate a Purchase and Sale Agreement for the sale of the property for the sum of \$8 million by the Successor Agency to Greenheart Land Company.

Following approval of the Purchase and Sale Agreement by the Successor Agency Board, the Purchase and Sale Agreement will also be subject to approval by the Oversight Board and subject to review by the State Department of Finance (DOF). There is a 10 day notice requirement for the Oversight Board's formal action to approve the sale, and then State DOF has 5 days from receipt of the Oversight Board's

resolution approving the sale to determine whether DOF wants to review the Purchase and Sale Agreement. If the DOF decides to review the Purchase and Sale Agreement, they have 40 days to act to affirm, modify or reject the sale transaction. Escrow is scheduled to close on the later of 7 days following completion of the Buyer's approval of its due diligence within 60 days of execution of the Purchase and Sale Agreement or notice of final action by DOF.

### **IMPACT**

The development of the Hamilton Avenue East site was initially intended to address housing development requirements under the Redevelopment Implementation Plan. With the dissolution of the redevelopment agency, disposition of these properties is mandated. The actions described in this report will result in the sale of the Hamilton Avenue East site for the sum of \$8 million, the proceeds of which will be forwarded to the County and distributed to the City and other taxing agencies.

### **ENVIRONMENTAL REVIEW**

The disposition of the property to a private party is not a project under CEQA.

Signature on File  
William L. McClure  
City Attorney

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

### **ATTACHMENT:**

A: Purchase and Sale Agreement with Greenheart Land Company

**PURCHASE AND SALE AGREEMENT**

THIS PURCHASE AND SALE AGREEMENT is entered into as of November 14, 2012 (the "Effective Date") by and between the Successor Agency to the Community Development Agency of The City of Menlo Park, a California public entity organized and existing under the provisions of ABx1 26, enacted June 28, 2011 ("Redevelopment Dissolution Act") and AB 1484, enacted June 27, 2012 ("Budget Trailer Bill") ("Seller"), and Greenheart Land Company, LLC, a California limited liability company ("Buyer").

**1. Agreement of Sale** Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase the real property which includes the real property commonly known as 777, 785, 787, 791, 801, 811 and 821 Hamilton Avenue, Menlo Park, CA, and which is more thoroughly described and/or depicted in attached Exhibit A, together with all appurtenant rights and benefits (collectively, the "Property").

**2. Purchase Price**. The purchase price for the Property is EIGHT MILLION DOLLARS (\$8,000,000) (the "Purchase Price") and shall be paid by Buyer at the Closing (as defined in Section 7.1 below) in the form of cash, cashier's check or federal funds wire transfer, less the amount of the Deposit (as hereinafter defined).

**3. Deposit**.

3.1 Application of Deposit. Within three (3) business days after execution of this Agreement by both Buyer and Seller, Buyer shall deposit in escrow with First American Title Company, 1737 North First Street, Suite 500, San Jose CA 95112, Att'n: Dian Blair (the "Title Company") a deposit in the amount of THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000) (the "Deposit"). The Deposit shall be held in an interest-bearing account and interest shall accrue for the account of Buyer. If the sale of the Property is consummated, the Deposit, plus accrued interest, shall be applied to the Purchase Price. If the sale of the Property is not consummated for any reason except a default under this Agreement on the part of Buyer, the Deposit (other than the Independent Contract Consideration) plus accrued interest thereon shall immediately be returned to Buyer. The Deposit includes the amount of One Hundred Dollars (\$100.00) as independent consideration ("Independent Contract Consideration") for Seller's execution of this Agreement and the agreement to sell the Property to Buyer on and subject to the terms and conditions of this Agreement. The Independent Contract Consideration is applicable to the Purchase Price and shall be retained by Seller in event of any termination of this Agreement for any reason whatsoever.

**3.2 Liquidated Damages. IF BUYER DEFAULTS IN THE PERFORMANCE OF ANY OBLIGATION OF BUYER HEREUNDER, AND THE CLOSING FAILS TO OCCUR AS A RESULT OF SUCH DEFAULT, SELLER WILL SUSTAIN SUBSTANTIAL DAMAGES. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES SUSTAINED BY SELLER IN THE EVENT OF SUCH A DEFAULT HEREUNDER BY BUYER. THEREFORE, SELLER AND BUYER AGREE THAT IF BUYER COMMITS SUCH A DEFAULT, THE DEPOSIT REPRESENTS A REASONABLE ESTIMATE OF THE AMOUNT OF DAMAGES FOR SUCH DEFAULT, AND SELLER SHALL BE ENTITLED TO RECOVER SUCH AMOUNT AS LIQUIDATED DAMAGES FOR SUCH DEFAULT. BOTH PARTIES ACKNOWLEDGE AND AGREE THAT SAID AMOUNT IS PRESENTLY A REASONABLE SUM CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, INCLUDING THE**

**RELATIONSHIP OF THE SUM TO THE RANGE OF HARM TO SELLER THAT REASONABLY COULD BE ANTICIPATED, AND THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY AND EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. SELLER'S RIGHT TO RECOVER SUCH AMOUNT AS LIQUIDATED DAMAGES FOR SUCH DEFAULT SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY AT LAW AND IN EQUITY. SELLER WAIVES ALL OTHER LEGAL OR EQUITABLE REMEDIES AGAINST BUYER AND ANY RELATED OR AFFILIATED ENTITY, AGENT OR REPRESENTATIVE, INCLUDING ANY RIGHT OF SELLER TO OBTAIN SPECIFIC PERFORMANCE OF BUYER'S OBLIGATIONS UNDER THIS AGREEMENT.**

BUYER:

SELLER:

**4. Title.**

4.1 Permitted Title Exceptions; Title Policy. The obligation of Buyer to purchase the Property shall be conditioned on the Title Company being prepared to issue an ALTA (2006) extended coverage owner's policy of title insurance ("Title Policy") insuring that fee title in the Property is vested in Buyer, subject only to the Permitted Title Exceptions, as defined below, and including any endorsements requested by Buyer and approved by the Title Company during the Due Diligence Period (as herein defined). The Title Policy shall insure title subject only to a lien for local real estate taxes and assessments not yet due or payable, and such other exceptions as may be approved in writing by Buyer pursuant to Section 6.1(c) below ("Permitted Title Exceptions").

**5. Documents to be Delivered to Buyer.** Seller shall provide to Buyer, or make available for inspection and copying at a reasonably convenient location, all documents, reports, plans, Leases (as herein defined), Contracts (as herein defined) and other documents in the possession or control of Seller and relating to the use, ownership, management and operation of the Property, within five (5) days from the Effective Date.

**6. Conditions to Closing.**

6.1 Conditions. Buyer's obligation to purchase the Property is conditioned upon the satisfaction of each of the following conditions:

(a) The performance by Seller of every obligation of Seller hereunder, and the truth of each representation and warranty made in this Agreement by Seller as of the Effective Date and as of the Closing.

(b) Buyer's review and approval of any documents or other items provided to Buyer by Seller in accordance with Section 5 hereof.

(c) Buyer's review and approval of a preliminary title report, all title exceptions, and an ALTA survey, if obtained by Buyer. Buyer shall notify Seller in writing of any objections Buyer has to the preliminary title report and the title exceptions within ten (10) days of Buyer's receipt of the preliminary title report and exceptions referenced therein. If Seller is not willing to remove the objectionable exceptions, or is unable to do so, prior to the Closing,

Seller will advise Buyer thereof in writing and Buyer may either waive its objections and proceed with the purchase or terminate this Agreement.

(d) Buyer's inspection and approval of the present physical condition and status of the Property, including the soil, drainage, and the existence of any hazardous materials on the Property.

(e) The feasibility of the Property for Buyer's intended use, including the economic viability of any development which Buyer may intend to perform on the Property.

(f) The Title Company's commitment at Closing to issue to Buyer the Title Policy.

The parties expressly acknowledge that the obligation of Buyer to proceed hereunder is not conditioned on any of the following:

- (i) obtaining financing, or a commitment for financing, for acquisition or development of the Property. The parties acknowledge that a material and substantial inducement to Seller's agreement to proceed with the transaction contemplated herein is the understanding that Buyer intends to acquire the Property with internal resources, and will not require third party funds to acquire the Property. Buyer may elect to obtain third party financing to develop the Property, but obtaining that financing, or a commitment for that financing, will not be a condition to Buyer's obligations hereunder;
- (ii) re-zoning of the Property. Buyer represents that Buyer is familiar with ongoing efforts by the City of Menlo Park to adopt a revised Housing Element to comply with applicable state law, and acknowledges that Seller undertakes no obligation under this Agreement to complete the adoption of the Housing element or to undertake any other action in connection with the adoption of new zoning, modification of existing zoning, updating the applicable general plan or otherwise with respect to the Property; or
- (iii) acquisition of, or any commitment or other obligation by a third party to sell or convey, all or any portion of additional property on Hamilton Avenue in Menlo Park, or any rights in such additional property.

6.2 Conditions - Seller. The parties understand and agree that this Agreement and the sale and transfer of the Property to Buyer is subject to the provisions of the California Redevelopment Dissolution Law (AB1x 26, enacted June 28, 2011, as modified by AB 1484, enacted June 27, 2012). Among other statutory requirements, the Agreement for the sale of the Property must be approved by the Board of the Successor Agency to the Menlo Park Community Development Agency and the Oversight Board for the Successor Agency (the "Oversight Board") following compliance with applicable public notice and public meeting requirements (such approval, the "Board Approval"). Promptly following the Effective Date, Seller shall initiate the process for obtaining Board Approval and shall diligently pursue such process until the Board Approval is obtained. Promptly following receipt of the Board Approval, Seller shall submit this Agreement to the State Department of Finance (the "DOF") for approval pursuant to Health & Safety Code Sections 34179 and 34181 (the "DOF Approval"). The DOF Approval shall be deemed to have been obtained upon the earlier of the date when (i) the DOF actually gives its approval of this Agreement, or (ii) the DOF approval period as set forth in Health & Safety Code Sections 34179 and 34181 has expired without modification or

disapproval by the DOF. Promptly following the DOF Approval, Seller shall provide to Buyer written notice (the "Confirmation Notice") that both Board Approval and DOF Approval have been obtained (or deemed obtained in the case of the DOF). If Seller has not provided the Confirmation Notice to Buyer within one hundred twenty (120) days following the Effective Date (the "Final Notice Date"), either party may terminate this agreement upon written notice to the other, provided that such termination notice shall be provided to the other no more that fifteen (15) days following the Final Notice Date, in which event the Deposit shall be immediately returned to Buyer. If any of the approvals are conditional upon revisions or modifications of the terms of sale, Buyer shall have the right to accept or reject such revisions or modifications, in its sole discretion. If Buyer rejects such revisions or modifications, this Agreement shall terminate and the Deposit shall be immediately returned to Buyer.

6.3 Due Diligence Period. Buyer's obligation to purchase the Property is subject to Buyer's being satisfied, in its sole discretion, with the Property after the review and inspections described in Section 6.1 above. Buyer shall have until sixty (60) days after the Effective Date (the "Due Diligence Approval Date"), to notify Seller in writing that the conditions described in Section 6.1 are satisfied or waived and that Buyer wishes to proceed to Closing under this Agreement (the "Due Diligence Period"). If Buyer fails to deliver such notice to Seller within the required period, this Agreement shall terminate and the Deposit and all interest thereon shall be returned to Buyer. If such notice is timely delivered to Seller, the relevant conditions shall be deemed waived or satisfied. Promptly following any termination under this Section 6.3, Buyer shall return all documents delivered to Buyer by Seller.

6.4 Waiver. Buyer may, at any time or times before the Closing, waive any of the foregoing conditions. Any such waiver must be in writing and signed by Buyer.

6.4 Access. Beginning on the Effective Date, Seller shall afford authorized representatives of Buyer reasonable access to the Property, upon reasonable advance notice and during normal business hours, for the purposes of satisfying any conditions precedent to the Closing contained herein. Buyer shall have the right to conduct or cause to be conducted soils tests, structural tests, tests for hazardous materials or any other tests Buyer determines are necessary or desirable to evaluate the condition of the Property. In performing its examinations and inspections of the Property, Buyer shall use commercially reasonable efforts to minimize any interference with the use of the Property and Buyer shall indemnify Seller against and hold Seller harmless from any and all losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees and costs (collectively, "Loss"), resulting from or related to the entry upon the Property by Buyer or its representatives, except for any Loss due to Seller's negligence or the mere discovery of a pre-existing condition, and Buyer shall restore any damage done during such inspection to the condition that existed prior to such inspection, and shall remove any materials brought by Buyer onto the Property in the course of the investigation. Buyer shall not conduct any Phase II testing for the presence of Hazardous Materials, or any other physically invasive testing, without Seller's prior written consent, which shall not be unreasonably withheld or delayed.

## 7. Closing.

7.1 Closing Date. The consummation of the purchase and sale of the Property (the "Closing") shall occur on the date that is seven (7) days after the later of (i) the Due Diligence Approval Date, or (ii) the date Buyer receives the Confirmation Notice.

## 7.2 Deposits Into Escrow.

(a) On or before the Closing date, Seller shall deposit the following documents and items into escrow, each of which shall be executed by Seller, if necessary, and shall be in form reasonably satisfactory to Buyer: (i) a grant deed conveying the real property to Buyer; (ii) a bill of sale conveying the personal property, if any, to Buyer; (iii) an assignment of leases, contracts and intangible property (the "Assignment"); (iii) an affidavit stating that Seller is not a "foreign person" under U.S.C.A. Section 1445(f)(3); (iv) Seller's share of the closing costs; and (v) such other documents as may reasonably be required to complete the Closing.

(b) On or before the Closing date, Buyer shall deposit the following into escrow: (i) the Purchase Price in accordance with the provisions of Section 2 above; (ii) Buyer's share of the closing costs; (iii) an executed counterpart of the Assignment; and (iv) such other documents as may reasonably be required to complete the Closing.

7.3 Prorations. All rents and other sources of income and all expenses for the Property will be prorated as of the Closing date and the Purchase Price will be adjusted on the following basis:

(a) Accounts Receivable. Any income of the Property earned and attributable to the period prior to the Closing date will be paid to Seller to the extent that such income has been collected on or before the Closing date. Any income earned and attributable to the period beginning on the Closing date and thereafter will be paid to Buyer. Upon receipt by Buyer after the Closing of any income earned prior to the Closing date, the same will be paid to Seller.

(b) Accounts Payable. All sums due for accounts payable which were owing or accrued by the Property prior to the Closing will be paid by Seller. Buyer will furnish Seller any bills for such period received after the Closing for payment, and Buyer will have no further obligation with respect thereto. Payments due under any Contracts which Buyer does not assume shall not be prorated and Seller shall be liable for all payments due thereunder. Buyer shall be deemed to have elected not to assume any Contracts except for those Contracts, if any, identified by Buyer for assumption in a written notice delivered to Seller during the Due Diligence Period.

(c) Property Taxes. All real property ad valorem taxes and special assessments, if any, whether payable in installments or not, for the tax year in which the Closing occurs will be prorated to the Closing date, based on the latest available tax rate and assessed valuation. The amount of any personal property taxes shall be paid by Seller.

(d) Utility Charges. All utility charges (including, without limitation, electricity, gas, water, sewer and telephone, as applicable) will be prorated to the Closing date and Seller will obtain a canceled bill therefor. All utility security deposits, if any, will be retained by Seller.

(e) Post Closing. If the amount of any of the adjustments to be prorated cannot be determined on the date of Closing, these adjustments will be made between the parties as soon after Closing as possible.

7.4 Closing Costs. Closing costs shall be paid as follows: (i) Buyer will pay the premium for owner's title insurance coverage, and escrow fees, and (ii) Seller will pay county



transfer taxes, if any. Any other closing costs will be paid in accordance with custom in San Mateo County, as determined by the Title Company.

7.5 Escrow Instructions. On or before the Closing date, each party shall deliver escrow instructions and other instruments as are required by the Title Company to close the escrow for this transaction.

7.6 Possession. Seller shall deliver possession of the Property to Buyer on the Closing date.

## 8. Representations and Warranties.

8.1 Representations and Warranties of Seller. Seller represents and warrants the following to Buyer as of the date hereof and as of the Closing date. Each representation and warranty shall survive the Closing date for a period of one (1) year, and shall expire unless a claim for breach of such representation or warranty is properly filed and served on Seller within that one (1) year period.

(a) Seller has full power and authority to enter into this Agreement. Upon delivery of the Confirmation Notice described in Section 6.2 above, subject to any applicable statutes of limitation for a legal challenge, Seller will have full power and authority to consummate the transaction contemplated herein, and any and all approvals or other authorization required to be obtained will have been obtained as of the date of the delivery of the Confirmation Notice.

(b) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the United States Internal Code of 1986, as amended, or under Section 18805 of the California Revenue and Taxation Code.

(c) There is no existing claim, litigation, or other proceeding which has been filed against the Property or against Seller in its capacity as owner of the Property which would prevent or delay the performance by Seller of its obligations hereunder or affect the use or value of the Property.

(d) There are no leases, tenancies or occupancy agreements relating to or affecting the Property (the "Leases").

(e) There are no service, maintenance, management, repair, parking, construction or other contracts (collectively, "Contracts") relating to the ownership or operation of the Property.

(f) Seller has not received any written notice of any violation of any law, ordinance, regulation, order or requirement applicable to the Property which has not been cured and Seller is unaware of any such uncured violation.

If Seller discovers that any representation or warranty set forth above is not accurate before the Closing date, Seller will give Buyer written notice of that fact within three (3) business days after obtaining knowledge of such fact, and in any event before the Closing. If Seller delivers any such notice or Buyer discovers the inaccuracy of a representation or warranty, Buyer may, at its election, terminate this Agreement, in which event the Deposit shall be immediately returned to

Buyer. If Buyer elects to proceed with the Closing after receipt of such notice or after having discovered the inaccuracy of the representation or warranty in question, Buyer shall be deemed to have waived any claim with respect to the representation or warranty in question to the extent of the additional information.

8.2 Sale Made "As Is"; Release of Seller. Buyer will perform an investigation in order to become familiar with the Property, and has made or will make such independent investigations as it deems necessary or appropriate concerning the Property. Except as expressly set forth herein: (i) Buyer is relying solely upon its own familiarity with the Property and is not relying in any way upon any representations, information, appraisals, statements, agreements, warranties, studies, surveys, reports, descriptions, guidelines or other information or material furnished by Seller, and (b) Buyer acknowledges that it is acquiring the Property for the Purchase Price stated herein "AS IS", in its present state and condition, without representation or warranty by Seller or its representatives as to any matter. Except with respect to Seller's representations, warranties and indemnities contained herein, from and after the Closing, Buyer, on behalf of itself and its successors and assigns, waives its right to recover from and forever releases and discharges Seller, its agents, employees and representatives from any and all demands, claims, costs, damages, losses or causes of action whether known or unknown, that may arise on account of or in any way be connected with the physical condition, use, operation or ownership of the Property. In connection with the foregoing release, Buyer hereby consents to inclusion of this waiver and release in the grant deed conveying the Property to Buyer, and expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

\_\_\_\_\_ Seller

\_\_\_\_\_ Buyer

8.3. Limitation of Liability.

The total aggregate liability of Seller for any and all injuries, damages, claims, losses, expenses or claims (including attorneys' fees) in connection with the sale of the Property will be limited to the Purchase Price for the Property. Buyer acknowledges that neither the City of Menlo Park or any of the taxing entities receiving proceeds from the dissolution of the Community Development Agency are parties to this Agreement and neither the City of Menlo Park nor any of the taxing entities entitled to receive proceeds shall have any liability for the actions of Seller, nor any financial liability or responsibility except as may be imposed pursuant to the provisions of State law with respect to proceeds received by the City or any of such taxing entities from the sale of the Property. Buyer shall notify all parties who may claim through Buyer, including the agents, employees or representatives of Buyer, as well as future occupants, purchasers or other users of the Property, of this limitation of Seller's liability to them and shall require them to abide by this limitation of liability. In no event shall Seller be liable in contract, tort, strict liability, warranty, or otherwise, for any special, incidental or consequential damages, including, but not limited to, delay, disruption, or loss of anticipated profits or revenue.

**9. Indemnification.** Each party hereby agrees to indemnify the other party and hold it harmless from and against any and all claims, demands, liabilities, costs and damages, including without limitation, reasonable attorneys' fees, resulting from any misrepresentations or breach of warranty or covenant made by such party in this Agreement.

**10. Eminent Domain.** If, prior to the Closing, all of the real property is taken by eminent domain, this Agreement shall terminate and the Deposit shall be immediately returned to Buyer. If only part of the real property is so taken, Buyer shall have the option of (a) proceeding with the Closing and acquiring the Property as affected by such taking, together with all compensation and damage awarded or the right to receive same, or (b) terminating this Agreement, in which event the Deposit shall be immediately returned to Buyer. From the Effective Date and until the Closing date, Seller agrees that it shall not commence or threaten to commence any condemnation or eminent domain proceedings against all or any portion of the Property.

**11. Actions During Contract Period.** Between Seller's execution of this Agreement and the Closing, or earlier termination of this Agreement as permitted hereunder, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted. From and after the Effective Date, Seller shall not (a) execute, modify, terminate and/or approve any Leases or Contracts affecting the Property or any interest therein without Buyer's written approval; or (b) encumber the Property with any liens, encumbrances or other instruments creating a cloud on title or securing a monetary obligation with the Property. Seller shall terminate prior to Closing, at no cost or expense to Buyer, any and all Contracts affecting the Property that are not designated by Buyer during the Due Diligence Period to be assumed by Buyer at Closing.

**12. [Section intentionally omitted.]**

**13. Miscellaneous.**

13.1 Notice. Any notice, demand or communication required or permitted hereunder shall be given in writing and may be delivered personally, by facsimile, by email, by private courier, or sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the following addresses or to such other addresses as any party may hereafter designate by written notice:

<p>Seller: Successor Agency to the Community Development Agency of the City of Menlo Park 701 Laurel Street Menlo Park, CA 94025 Att'n: Alex D. McIntyre Ph: 650-330-6610 Email: admcintyre@menlopark.org</p> <p>With a copy to: William L. McClure, Esq. City Attorney 1100 Alma Street, Suite 210</p>	<p>Buyer: Greenheart Land Company, LLC 921 East Charleston Road Palo Alto, CA 94303 Att'n: Steve Pierce Ph: 650-323-5305 Email: spierce@greenheart.bz</p> <p>With a copy to:  Morrison &amp; Foerster LLP 755 Page Mill Road Palo Alto, CA 94304 Attn: Philip J. Levine, Esq.</p>
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Menlo Park, CA 94025 Ph: (650) 324-9300 Email: wlm@jsmf.com	Ph: (650) 813-5613 Email: PLevine@mofo.com
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Notice shall be deemed given upon the earlier of: (i) actual receipt, including, if notice is sent by email, confirmation of receipt of the message in question; or (ii) three (3) days after posting in the U.S. Mail as provided above.

13.2 Covenant of Further Assurances. The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Agreement.

13.3 Tax Deferred Exchange. The parties acknowledge that Buyer may identify the Property as a replacement property in connection with an attempt to qualify the acquisition of the Property as part of an exchange eligible for deferred tax treatment under Federal and State law. Seller shall cooperate with Buyer as reasonably necessary, and as instructed in writing by Buyer, in connection with such exchange, subject to the following: (i) Seller shall not be obligated to take title to any property other than the Property, (ii) Buyer shall pay all costs associated with the exchange; (iii) the exchange shall not affect the times for performing the various obligations set forth herein; and (iv) Seller shall have no responsibility to ensure that the transaction does in fact qualify as a tax-deferred exchange.

13.4 Severability. If any provision of this Agreement as applied to either party or to any circumstance shall be ruled by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) that provision as applied to other permissible parties or circumstances or any other provision of this Agreement or the validity or enforceability of the Agreement as a whole.

13.5 Assignment. Neither party may assign its rights or delegate its obligations hereunder without the prior written consent of the other party, and any such assignment or delegation without the other party's prior consent shall be void and of no effect. Notwithstanding the foregoing, Buyer may assign its rights and delegate its obligations to an entity owned or controlled by Buyer or Buyer's principals, provided, however such assignment shall not relieve Buyer of any obligations provided in this Agreement.

13.6 Successors and Assigns. Subject to the provisions of Section 13.5 hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, devisees, legal representatives, successors and assigns.

13.7 Attorneys' Fees. In the event of any controversy, claim or action being filed between the parties respecting this Agreement or in connection with the Property, the prevailing party shall be entitled, in addition to all expenses, costs or damages, to reasonable attorneys' fees, whether or not such controversy was litigated or prosecuted to judgment, and any such attorneys' fees and other costs and expenses shall be recoverable separately from and in addition to any other amount included in such judgment or award, and such obligation is

intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment or award.

13.8 Brokers and Finders. Seller is represented in this transaction by Cassidy Turley Northern California, Inc. ("Seller's Broker"), and Seller shall pay a commission to Seller's Broker upon close of escrow in accordance with a separate written agreement. Seller and Buyer represent that they have not engaged the services of any other real estate broker to represent them and that no commission will be due from either party to any broker other than Seller's Broker. The party through whom any broker or finder (other than Seller's Broker) makes a claim shall indemnify, defend and hold harmless the other from such claim. Nothing herein shall make any person, including the brokers representing the parties to this Agreement, a third party beneficiary of this Agreement. The provisions of this Section 13.8 shall survive Closing or the termination of this Agreement.

13.9 Time of the Essence. Time is of the essence of this Agreement. However, if the final date of any period designated for performance of any act under this Agreement falls on a Saturday, Sunday or statewide legal holiday as defined in California Government Code sections 6700 and 6701, then the time for such performance shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

13.10 Governing Law. This Agreement is entered into and shall be governed by and construed in accordance with the laws of the State of California.

13.11 Counterparts. This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, and only one of which need be produced for any purpose. The parties hereto contemplate that they may be executing counterparts of this Agreement transmitted by facsimile or email in PDF format and agree and intend that a signature by facsimile machine or email in PDF format shall bind the party so signing with the same effect as though the signature were an original signature.

13.12 Exhibits. All recitals and exhibits referred to in this Agreement are incorporated herein by reference and shall be deemed part of this Agreement.

13.13 Entire Agreement. This document represents the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements, representations and covenants, oral or written.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

<b>SELLER</b>	<b>BUYER</b>
<b>Successor Agency to the Community Development Agency of The City of Menlo Park</b>	<b>Greenheart Land Company, LLC, a California limited liability company</b>
By: _____ Alex D. McIntyre Executive Director	By: _____ Scott Hassan Managing Member

Attachments:

EXHIBIT A - Legal Description

## EXHIBIT A

### LEGAL DESCRIPTION

Real property in the City of Menlo Park, County of San Mateo, State of California, described as follows:

#### PARCEL I:

LOTS 3 AND 4, BLOCK 10, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, MAP NO. 2, SAN MATEO COUNTY, CALIFORNIA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON NOVEMBER 17, 1926 IN BOOK 14 OF MAPS AT PAGES 51, 52 AND 53.

#### PARCEL II:

PORTION OF SEVIER AVENUE, AS DELINEATED UPON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, MAP NO. 2, SAN MATEO COUNTY, CALIFORNIA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON NOVEMBER 17, 1926 IN BOOK 14 OF MAPS AT PAGES 51, 52 AND 53, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 4 IN BLOCK 10 AS SHOWN ON SAID MAP; THENCE FROM SAID POINT OF BEGINNING, ALONG THE NORTHERN LINE OF LOT 3 AND SAID LOT 4, NORTH 85° 01. 00" EAST, 103.31 FEET TO THE NORTHEASTERN CORNER OF SAID LOT 3; THENCE LEAVING SAID LINE NORTH 22° 05. 00" EAST, 44.92 FEET TO THE SOUTHERN LINE OF THE SOUTHERN PACIFIC COMPANY RIGHT OF WAY; THENCE ALONG SAID LINE SOUTH 85° 01' 00" WEST, 103.31 FEET; THENCE SOUTH 22° 05. 00" WEST, 44.92 FEET TO THE POINT OF BEGINNING.

SAID PARCEL WAS VACATED BY THAT CERTAIN RESOLUTION NO. 5132 RECORDED OCTOBER 26, 1999 AS RECORDER'S INSTRUMENT NO. 1999-178851 OF OFFICIAL RECORDS.

#### PARCEL III:

LOT 2 IN BLOCK 10, AS SHOWN ON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK, MAP NO. 2, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON NOVEMBER 17, 1926 IN BOOK 14 OF MAPS AT PAGES 51, 52 AND 53.

#### PARCEL IV:

LOT 1, BLOCK 9, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "NEWBRIDGE PARK, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON JUNE 10, 1926 IN BOOK 14 OF MAPS AT PAGES 6 AND 7.

#### PARCEL V:

LOT 1, BLOCK 10, AS SHOWN ON THAT CERTAIN MAP ENTITLED, "NEWBRIDGE PARK NO. 2, SAN MATEO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA ON NOVEMBER 17, 1926 IN BOOK 14 OF MAPS AT PAGES 51, 52 AND 53.

PARCEL VI:

LOTS 2, 3 AND 4 IN BLOCK 9, AS SHOWN ON THAT CERTAIN MAP ENTITLED "NEWBRIDGE PARK SAN MATEO COUNTY CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA, ON JUNE 10, 1926 IN BOOK 14 OF MAPS AT PAGE(S) 6 AND 7.

APN: 055-398-020 (Parcel I); 055-398-030 (Parcel II); 055-398-040 (Parcel V); 055-398-050 (Parcel III); 055-398-060, 055-398-070 and 055-398-080 (Parcel IV)

PARCEL VII:

400 SQ FT MOL PTN OF SEVIER AVE ABAND ADJ NLY TO BLK 10 NEWBRIDGE PARK NO. 2 RSM 14/51. APN: 055-398-250





# PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 13, 2012

Staff Report #:12-174

Agenda Item #: F-2

**REGULAR BUSINESS:** Consider Submitting a Letter of Interest to the San Mateo County Transportation Authority for Measure A Eligible Grade Separation Projects in Menlo Park

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## RECOMMENDATION

Staff recommends City Council submit a letter of interest to the San Mateo County Transportation Authority for Measure A eligible grade separation projects in Menlo Park.

## BACKGROUND

On September 28, 2012, the SMCTA issued a letter to all eligible grade separation project sponsors in cities within San Mateo County, the County of San Mateo, the Peninsula Corridor Joint Powers Board and SamTrans to submit letters of interests for potential projects to be considered. The letter is appended as Attachment A. There are 40 crossings along the Caltrain corridor that will need to be studied to prioritize for grade separation. SMCTA is in the process of establishing the criteria to prioritize fund allocations for preliminary design and initial environmental work under the New Measure A Grade Separation Program. The goal in submitting the letter(s) of interest for the projects are to assist SMCTA in evaluating the priorities of each community to establish the scope of projects in the Caltrain corridor and Dumbarton Rail corridor for the upcoming call for projects. Measure A will have approximately \$225 million for grade separation projects over the 25-year life of the measure, which would likely fund four to five projects.

The SMCTA approved the New Measure A Program on the December 3, 2009 Implementation Plan, but deferred decision on how to implement programming of the funds in the Grade Separation Program. This was done to coordinate the Grade Separation Program with the High Speed Rail Project.

A background summary of previous Council sessions for the Menlo Park potential Caltrain grade separation projects is appended in Attachment B of this staff report.

## ANALYSIS

Currently, two tracks pass through Menlo Park and Council recently approved a current position statement that indicated support for two tracks at-grade for the future Caltrain blended system with the High Speed Rail Project. Currently, Caltrain is analyzing a blended system with 4-track passing sections in some areas, but not in Menlo Park. However, a 3-track passing section that includes Menlo Park is being studied. The

second consideration is the station platform configuration. Either outboard or center-boarding platforms must be assumed in order to establish an accurate layout of the station area.

An outboard station consists of platforms on both sides of the tracks, requiring trains to use a specific track when entering the station. This is the current configuration of the Menlo Park station. In a four-track configuration, passengers could only board from the two outside tracks. The inside tracks would only be used to allow express trains to pass local trains.

The center-boarding platform consists of a center platform with tracks on either side, allowing trains to use the tracks on either side of the platform to pick up passengers. In a four-track configuration two center-boarding platforms would be utilized, one serving northbound trains and one serving southbound. The center-boarding platform allows greater flexibility for use of the rail lines, but would require a larger area for the station. In the previous BKF study, the configuration of the platform was assumed to be outboard. A change from an outboard to a center-boarding platform could reduce the amount of the previous study that can be utilized and/or refined.

The 2003/04 Menlo Park Grade Separation Study has not been updated and Council has never finalized a preferred grade separation alternative. The City's 2003/04 preliminary study evaluated four basic alternatives each assuming 4-tracks at-grade for adjacent jurisdictions:

1. A "Trench" Alternative – keeps the roads at present grade and depressing the railroad track approximately 30-feet in the ground. This alternative is shown in "Figure 1 –Underground Track Alternative," page 5 of the June 2003 BKF Report. This option creates a trench through the City with high fences, depressed station platforms 30 – feet in the ground. In addition to the visual impacts, this option was considered not feasible at the time because of the San Francisquito Creek crossing at El Camino and the 1% grade limitation to get under Ravenswood and Atherton, gravity utility crossings conflicts, drainage and flooding, and high cost.
2. An "Overpass" Alternative – keeping the tracks at their present grade and reconstructing the roadways on 30-foot high structures. This alternative is shown in "Figure 2 – Millbrae Avenue Grade Separation in Millbrae," page 5 of the June 2003 BKF Report. Visually this option would resemble a freeway interchange, and the street connections parallel to the tracks would be extremely difficult. Finally, this option was also not recommended, because of the large foot print for grade transitions and impacts to Ravenswood and El Camino.
3. An "Underpass" Alternative – Keeping the tracks at-grade and depressing the roadway 20-feet below the grade of the tracks (This alternative is also referred to as the Depressed Street & Elevated Tracks Alternative.). This alternative was evaluated in both the June 2003 BKF report as shown in "Figure 3 – Jefferson Underpass in Redwood City," page 5; and the September 2004 Supplemental Study further described in Appendix B of the report, Alternative 1. This project requires retaining walls up to 20 –feet high, it would limit access to adjacent

properties, and there would be no track changes between crossings. A more detailed study is needed to determine which parallel side streets should connect and how this affects the traffic circulation and adjacent properties.

4. A “Split” Alternative – partially lowering the road crossings and partially raising the tracks to create a 20 – feet differential between the track elevation and the roadways. This alternative was evaluated in both the June 2003 BKF report as shown in “Figure 4 – Split Alternative, Holly Grade Separation in San Carlos,” page 6; and the September 2004 Supplemental Study further described in Appendix B of the report, Alternative 2. This option would require construction along the entire corridor (long embankments), train noise may travel further with the raised tracks, but it would provide a better opportunity to connect side streets and reduce the impacts to adjacent properties. This option was considered feasible, but would also require a more detail analysis to determine which parallel side streets should connect and how this affects traffic circulation and adjacent properties.

The previous study focused on 4-tracks alternatives, but a 2-track system currently supported by the City Council would reduce impacts. Construction methods could also help to reduce impacts. Caltrain and HSR also conducted a conceptual analysis of the track grade through the peninsula. They provided an aerial structure, trench, and tunnel alternative. They did not come to any conclusion with their study as the project turned its focus to the blended system currently under review by Caltrain. This study allowed more flexibility in that the alternatives could extend between jurisdictions.

### **SMCTA Measure A Letter of Interest**

Letters of interest regarding the City’s priorities for grade separation projects need to be submitted to SMCTA to better frame the competitive process in preparing for the call for projects request in the future. Menlo Park is in a unique position, because our community has grade separation projects for the Caltrain corridor, and the Dumbarton Rail corridor. SMTCA has not determined if the call for projects will include projects in the Caltrain or Dumbarton Rail corridor. The letter of interest does not commit the City to a specific future project. If the City chooses to proceed forward with a grade separation project, a new study of the alternatives for grade separations would need to be conducted in order for the City to select a preferred alternative.

SMCTA is requesting that Menlo Park rank the grade separation projects in order of priority, giving Menlo Park the flexibility to include projects from both corridors. The following projects are candidates for grade separation by corridor; in priority order based on traffic volumes:

#### **Caltrain Corridor:**

1. Ravenswood Avenue (ADT 24,100 vehicles per day (vpd))
2. Oak Grove Avenue (ADT 9,700 vpd)
3. Glenwood Avenue (ADT 5,900 vpd)

4. Encinal Avenue (ADT 5,300 vpd)

**Dumbarton Rail Corridor:**

5. Willow Road SR 84 (ADT 37,500 vpd)

6. Marsh Road (ADT 27,000 vpd)

7. Chilco Street (ADT 6,900 vpd)

SMCTA is asking eligible sponsors to provide the following information for the nominated projects by order of priority in a letter of interest:

1. A prioritized list of at-grade railroad crossings within your jurisdiction that would be a candidate for elimination, if there is more than one such crossing;
2. A proposed time frame for completion of the project(s), and the specific rationale for such time frame;
3. Discussion of safety and local traffic congestion concerns in the proposed project area;
4. Discussion of how the project(s) could support economic development and transit-oriented development in the proposed project area;
5. Discussion of other funding sources that can be secured to leverage Measure A funds for the project;
6. Demonstration of support from the city council and the community through a deliberative planning process.

Based on Council direction, staff will complete the requested information the projects selected to be included in the letter of interest to the SMCTA. Letters are due November 21, 2012, so there is a very short turnaround time. When the call for projects is realized, staff will bring the specific intersection(s) grade separation project candidate(s) for Council approval prior to submittal.

**IMPACT ON CITY RESOURCES**

Staffs resources are required to support this project during the CEQA analysis and preliminary design phase to assure Menlo Park's best interests are represented. If funding is approved, staff will return to Council with a CIP Project, and it will likely impact the timely completion of previously funded projects.

**POLICY ISSUES**

A review of potential grade separations is consistent with the City's current General Plan. Policy II-A-18 states that, "the City shall conduct a thorough feasibility study of

grade separation projects included on the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed projects, and shall support only those grade separations that provide sufficient traffic and rail service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.”

## ENVIRONMENTAL REVIEW

This Council action is not subject to the current California Environmental Quality Act Guidelines. Any approved project will comply with all required environmental review documents to construct a project.

Signature on file  
Fernando Bravo  
Engineering Services Manager

Signature on file  
Chip Taylor  
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. Transportation Authority Call for Projects Letter September 28, 2012
- B. Background Summary of Previous Council Sessions on Grade Separation
- C. Staff Report #03-101 June 10, 2003
- D. Staff Report #04-207 October 19, 2004
- E. Staff Report #07-200 November 27, 2007
- F. Staff Report #08-014 January 29, 2008

Links: [BKF Grade Separation & New Station Feasibility Study 2003](#)  
[BKF Grade Separation Feasibility Study Supplement 2004](#)

September 28, 2012

City/County Manager  
City/County Public Works Directors

The San Mateo County Transportation Authority (TA) is soliciting Letters of Interest from eligible grade separation project sponsors for potential project candidates under the New Measure A *Grade Separation* program.

The Letters of Interest would assist the TA in preparing a Call for Projects (CFP) that would be used to prioritize projects for fund allocations for preliminary design and initial environmental work. But before doing so, we would like to solicit information from eligible sponsors to better frame the competitive process since the amount of funding is limited.

Eligible sponsors include the cities within San Mateo County, the County of San Mateo, the Peninsula Corridor Joint Powers Board and SamTrans.

In 2004, the voters of San Mateo County reauthorized the Measure A program and approved the half-cent sales tax for another 25 years (2009 – 2033). A provision of the Expenditure Plan provides that 15 percent of the sales tax revenues be allocated to eliminate at-grade rail crossings through the Grade Separation program. It is estimated that the sales tax will generate \$225 million (in 2004\$) over the 25-year life of the measure.

A description of the *Grade Separation* program from the 2004 Expenditure Plan is enclosed as Exhibit "A".

At its December 3, 2009 meeting, the TA Board had approved the New Measure A Program Implementation Plan but deferred decision on how to implement programming of funds in the *Grade Separation* program. This was done to better coordinate grade separation needs with the California High Speed Rail project. The State recently appropriated funding for the Caltrain Early Investment Program to implement the Caltrain Advanced Signal System (CBOSS/PTC) project and improvements that allow the operation of electrified Caltrain service. The Caltrain Early Investment Program projects would prepare the corridor for a future blended system that supports Caltrain and high-speed rail service.

In light of this latest development, the TA considers it prudent to begin some planning and environmental work on possible grade separation projects in the Caltrain corridor to further support the future blended system.

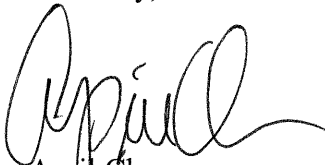
We are asking eligible sponsors to provide the following information by November 21, 2012 in a Letter of Interest:

1. A prioritized list of at-grade railroad crossings within your jurisdiction that would be a candidate for elimination, if there is more than one such crossing;
2. A proposed time frame for completion of the project(s), and the specific rationale for such time frame;
3. Discussion of safety and local traffic congestion concerns in the proposed project area;
4. Discussion of how the project(s) could support economic development and transit-oriented development in the proposed project area;
5. Discussion of other funding sources that can be secured to leverage Measure A funds for the project;
6. Demonstration of support from the city council and the community through a deliberative planning process

Please email the letter to [chungc@samtrans.com](mailto:chungc@samtrans.com). Information collected from these letters would better assist the TA in structuring the project selection process.

If you have any questions regarding this request, please feel free to call me at 650-508-6228 or Celia Chung, Interim Manager, Programming & Monitoring, at 650-508-6466.

Sincerely,



April Chan  
Executive Officer, Planning & Development



SAN MATEO COUNTY  
**Transportation  
Authority**

# **2004 Transportation Expenditure Plan**

- Developed with extensive public input
- Approved by the San Mateo County Transportation Authority, San Mateo County Board of Supervisors, each of the 20 cities within San Mateo County and the Metropolitan Transportation Commission



Estimated annual distribution percentage (based on 2004) and dollars to each City and the County are shown below:

	<u>Allocation Percentage</u>	<u>Estimated Funding</u>
Atherton	1.886	\$ 6,365,250
Belmont	3.543	\$ 11,957,625
Brisbane	0.818	\$ 2,760,750
Burlingame	4.206	\$ 14,195,250
Colma	0.299	\$ 1,009,125
Daly City	10.413	\$ 35,143,875
East Palo Alto	3.215	\$ 10,850,625
Foster City	3.364	\$ 11,353,500
Half Moon Bay	1.596	\$ 5,386,500
Hillsborough	3.000	\$ 10,125,000
Menlo Park	4.851	\$ 16,372,125
Millbrae	2.917	\$ 9,844,875
Pacifica	5.174	\$ 17,462,250
Portola Valley	1.488	\$ 5,022,000
Redwood City	9.612	\$ 32,440,500
San Bruno	5.034	\$ 16,989,750
San Carlos	4.271	\$ 14,414,625
San Mateo	11.797	\$ 39,814,875
South San Francisco	7.649	\$ 25,815,375
Woodside	1.683	\$ 5,680,125
County of San Mateo	13.184	\$ 44,496,000
<b>County Total</b>	<b>100.000</b>	<b>\$337,500,000</b>

#### **D. Grade Separations**

**Project:** *1. Rail Grade Separations*

**Cost:** \$350 million. Sales tax contribution estimated at \$225 million, State \$125 million.

**Sponsors:** SamTrans, San Mateo County, Cities and Peninsula Corridor Joint Powers Board

**Description:** This project provides funding for the construction or upgrade of overpasses and underpasses (grade separations) along the Caltrain and Dumbarton rail lines. The Candidate Projects are listed below. Funds will not be adequate to construct or upgrade all Candidate Projects. The TA will determine Candidate Project selection and prioritization in conjunction with the project sponsors, based upon the California Public Utilities Commission formula and the desire of the City involved.

**CANDIDATE GRADE SEPARATION PROJECTS**

<b>City</b>	<b>Street</b>	<b>City</b>	<b>Street</b>
South San Francisco	Linden Avenue	San Mateo	25 <sup>th</sup> Avenue
San Bruno	Scott Street	Redwood City	Whipple Avenue
San Bruno	San Bruno Avenue	Redwood City	Brewster Avenue
San Bruno	San Mateo Avenue	Redwood City	Broadway
San Bruno	Angus Avenue	Redwood City	Maple Street
Millbrae	Center Street	Redwood City	Main Street
Burlingame	Broadway	Redwood City	Chestnut Street
Burlingame	Oak Grove Avenue	Redwood City	Middlefield Road
Burlingame	North Lane	Redwood City	2 <sup>nd</sup> Avenue
Burlingame	South Lane	Redwood City	5 <sup>th</sup> Avenue
Burlingame	Howard Avenue	Atherton	Fair Oaks Lane
Burlingame	Bayswater Avenue	Atherton	Watkins Avenue
Burlingame	Peninsula Avenue	Menlo Park	Encinal Avenue
San Mateo	Villa Terrace	Menlo Park	Glenwood Avenue
San Mateo	Bellevue Avenue	Menlo Park	Oak Grove Avenue
San Mateo	1 <sup>st</sup> Avenue	Menlo Park	Ravenswood
San Mateo	2 <sup>nd</sup> Avenue	Menlo Park	Marsh Road
San Mateo	3 <sup>rd</sup> Avenue	Menlo Park	Chilco Street
San Mateo	4 <sup>th</sup> Avenue	Menlo Park	Willow Road SR 84
San Mateo	5 <sup>th</sup> Avenue	East Palo Alto	University Avenue
San Mateo	9 <sup>th</sup> Avenue		

**CANDIDATE UPGRADE OF EXISTING GRADE SEPARATION PROJECTS**

San Mateo	Poplar Avenue	San Mateo	Mt. Diablo Ave.
San Mateo	Santa Inez Avenue	San Mateo	Tilton Avenue
		Menlo Park	Highway 101

**E. Pedestrian and Bicycle**

- Project:** 1. *Pedestrian and Bicycle Facilities*
- Cost:** \$70 million. Sales tax contribution estimated at \$45 million. State \$25 million.
- Sponsors:** Cities and County of San Mateo

## **Background Summary of Previous Council Sessions**

### **Menlo Park Potential Caltrain Grade Separation**

On June 2003, BKF Engineers, Planners and Surveyors (BKF) completed a preliminary grade separation study for the Caltrain railroad tracks and roadways in Menlo Park, appended in a link to this staff report. The study areas included grade separation at Ravenswood Avenue, Oak Grove, Glenwood, and Encinal Avenues. The preliminary study included the assumption of 4-tracks within Menlo Park and the tracks would be at-grade at both the north and south City limits. This preliminary study also included four alternatives consisting of road overpass, road underpass, trench, and split (rail over road) for the grade crossings in Menlo Park. The study included preliminary information regarding the impact of the alternatives within Menlo Park. The four alternatives were to be further evaluated and refined in future studies, and other potential alternatives were to be developed to the same level as the previous four.

The Council directed that the grade separations be nominated in a list of possible future projects to be considered for inclusion for funding under the proposed reauthorization of the San Mateo County Measure A sales tax for transportation improvements. At the time, Council supported the split grade separation, and directed staff to further evaluate the deep underpass, potential to close Encinal and Glenwood, evaluate aesthetic considerations, and continue public outreach. The staff report for this 2003 BKF study session is attached as Attachment C, Staff Report #03-101.

On October 19, 2004, Council received a supplemental grade separation feasibility study report, appended in link to this staff report, evaluating Council's concerns stated above. The supplemental study established that the deep underpass would have greater impacts and be more costly, and the closure of Encinal and Glenwood would not be practical. The prior studies resulted in furthering the City's knowledge of grade separations but due to funding limitations, not all aspects of the grade separations could be studied. Council did not make any recommendations at that point, and the motion included meeting with other cities and possibly state representatives. Several meetings were held with elected officials of Atherton, Palo Alto, Mountain View and Redwood City. At those meetings, it was clear that each city had different issues and concerns with grade separations. The staff report for this 2004 BKF Supplemental study session is attached as Attachment D, Staff Report #04-207.

On November 27, 2007, staff provided a comprehensive update to Council on the Caltrain Grade Separation Footprint Study, including the 2003 and 2004 Menlo Park grade separation studies. At that meeting, staff indicated additional studies were needed, since all previous studies ultimately did not result in the City selecting a preferred alternative, and the City has not taken a formal position on whether or not should pursue grade separations. In order for Menlo Park to be prepared for the next steps in evaluating the various alternatives, an additional study would be needed to address some of the different aspects the previous studies did not evaluate. More particularly, the additional study would provide Menlo Park the opportunity to evaluate some of the following issues not addressed previously include: 1) cost difference between grade separation alternatives; 2) better understanding of traffic patterns for the

various alternatives; 3) potential impacts associated with the various alternatives such as noise, aesthetics, and station configuration; and 4) evaluation of alternatives not included in the prior studies –a fully depressed train (trench) and a fully elevated train. These issues were also discussed at a Menlo Park and Town of Atherton City Council joint study session on January 29, 2008. The staff reports for these study sessions are attached as Attachment E – Staff Report #07-200, and Attachment F - Staff Report #08-014.

Since 2003, Caltrain has signed a Memorandum of Understanding (MOU) with the California High Speed Rail Authority for funding Early Investment Projects, such as the electrification of the Caltrain corridor along the Peninsula as well as Positive Train Control. Caltrain is also currently performing a service plan/operation study as well as traffic analysis of the at-grade intersections with the addition of high speed rail trains during the peak hour with shared tracks. Grade separations in Menlo Park may be a consideration for the at-grade crossings, depending on the impacts and results of the two studies. Caltrain is currently reviewing passing tracks with 4-tracks in some areas or potentially 3-tracks over a larger area, which may affect Menlo Park directly.

Recently, the State appropriated funding for the Caltrain Early Investment Program to implement the Caltrain Advanced Signal System Project to allow the operation of electrified Caltrain service. This project is intended to enhance the Caltrain system and would also be compatible with a future blended system that supports Caltrain and high-speed rail service.



## TRANSPORTATION DIVISION

Council Meeting Date: June 10, 2003

Staff Report# 03-101

Study Session Agenda Item # 1

### **STUDY SESSION: Review Findings and Recommendations of Grade Separation Study Report**

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The purpose of this study session is to review the findings and recommendations of the engineering feasibility study of alternatives for grade separating the City of Menlo Park's four public street grade crossings of the Caltrain rail line.

#### **BACKGROUND**

On July 10, 2001, the Menlo Park City Council authorized staff to obtain funding from the San Mateo County Transportation Authority (SMCTA) to fund a study of grade separating the City's street crossings of the Caltrain rail line. Funds for this purpose were subsequently granted by the SMCTA and on July 16, 2002 the City Council authorized the feasibility study. The purpose of the grade separation feasibility study is to determine if there are more desirable ways of grade separating the streets from the tracks than were evident in 1990 when the City last performed a grade separation feasibility study.

The feasibility study was led by BKF Engineers/Surveyors/Planners. The engineering analysis is now completed. This study session is an opportunity for the Council to consider the technical work and findings in depth. At the Council's discretion, it can make decisions regarding any further actions with regard to grade separations at a future Council meeting with this matter agendaized as a "regular business" item. The Council may wish to consider supporting grade separations as a regional project for the 2004 ballot to reauthorize Measure A. Approval of a Measure A reauthorization project list is agendaized under regular business later this evening.

#### **ANALYSIS**

The Engineers Report on the project accompanies this staff report. Key findings and implications of the engineers analysis are summarized below.

The Peninsula Corridor Joint Powers Board (JPB)'s long range plan would operate the Caltrain service in a manner that will require a 4-track grade-separated system between San Jose and San Francisco. Even if the JPB's interest was solely expansion to a 4-track system, California Public Utilities Commission (PUC) regulations require that crossings involving four tracks be grade separated.

The above circumstances hold two important implications for Menlo Park. One is that grade separations are eventually likely to be built in Menlo Park without any requirement of substantial City funding toward their construction and without City government taking the lead to initiate the project development. The second is that the City has the choice of proactively planning the form of the future rail system through the center of the City, or

attempting to influence the design at such time as the Menlo Park segment becomes a priority for the JPB. The City also has the choice of opposing development of grade separations and/or any additional rail tracks through Menlo Park.

Theoretically, there are six ways to grade separate the roadway crossings of the tracks:

- 1) Leave the roads at grade and depress the tracks below the roadways;
- 2) Leave the tracks at grade and elevate the roadways over the tracks;
- 3) Leave the tracks at grade and depress the roadways beneath the tracks;
- 4) Partially elevate the tracks and partially depress the roadways;
- 5) Partially depress the tracks and partially elevate the roadways;
- 6) Leave the roadways at grade and elevate the tracks above the roadways.

Of these, option "4" of partially elevating the tracks and partially depressing the roadways appears the most feasible from considerations of community benefits and impacts, constructability, right-of-way requirements and costs. A brief evaluation of the other options is below.

### **Evaluation of Other Options**

A key consideration is that vertical clearance requirements are different, depending on whether the rails pass above the roadways or the roadways pass above the rails. When the roadways pass beneath, the vertical separation necessary between the running surface of the road and the top of the rails is 20 feet. Where the rails pass beneath the roadways, the necessary vertical separation between the surface of the road and the top of rails is about 30 feet. This differential makes it much more difficult to maintain linkages to nearby roadways and driveways and to avoid acquisition of private property due to severance of access or in order to maintain access to other affected properties.

Depressing the rails completely below grade (Option 1) is not feasible because of constraints at the San Francisquito Creek crossing (and potentially at the Atherton limit also). Option 5, a variant of Option 1 involving a partially depressed railway, would be far more costly than other alternatives because of the extent of excavated material, the extent of construction of retaining walls, the need to provide extensive drainage systems and the more extensive need to relocate utilities. Furthermore, it would not achieve the appealing results commonly expected because the walls of the trench structures would project above ground and be topped by high fences, creating a continuous (except at the street crossings) physical and visual barrier across the community.

Option 2, roadway overpasses with the road left at grade, is not feasible because the extreme height (and consequent length) of the structures necessary would create extensive severance of access to roads as well as public and private property, resulting in the need for extensive acquisition of private property. All four of the long, high structures would be visually intrusive – as high as a 3-story commercial building – and would have forms difficult to soften with landscape. In addition, the overcrossing at Ravenswood would not reach grade until west of El Camino Real, necessitating undesirable retaining walls between the street and the sidewalks on the El Camino and Menlo Avenue frontages near their intersection with Ravenswood.

Option 3, leaving the rails at grade and depressing the roadways beneath them, is essentially a refinement of the rejected 1990 plans and exhibits the same fundamental

difficulty. Because of the necessary depth of the undercrossing and consequent length of the approach slopes to it, there would be extensive severance of access to roads and public and private facilities. This would necessitate extensive acquisition of property to compensate for loss of access or to restore access for other properties and facilities.

Option 6, leaving the roads at grade and fully elevating the rails, is significantly more costly than Option 4 and exaggerates the least desirable features of that plan. Its greater height and mass would be a greater visual obstruction and a form more difficult to soften with architectural treatments and with landscape. Its greater height would also increase the sense of invasion of privacy and concern for broadcast of undesirable train noise. Its construction would also involve transport of considerably more materials than Option 4.

### **Implementation of Preferred Plan**

As previously noted, the preferred alternative is Option 4, which would partially elevate the tracks and partially depress the roadways. This option, or any concept that involves changing the grade of the rails, would involve construction of all four grade separations as a single project. A construction period of about two years would be required.

Construction sequence for the preferred alternative would be as follows:

- 1) Temporary tracks to maintain rail operations during the construction period would be built at grade, west of the existing rail line.
- 2) Temporary road crossings would be constructed alongside the existing crossings.
- 3) New structures would be constructed on the existing road alignments and the rail gradient would be altered along the existing main line (while rail operations continue on the temporary tracks).
- 4) When the new structures and the alterations to the mainline rail grade are complete, traffic will be shifted to the new structures on the original roadway alignments (with impaired vertical clearance), the gaps in the mainline that provided the temporary roadway crossings will be filled in, rail operations will be shifted back to the now grade-separated mainline, and the temporary construction tracks will be removed.
- 5) One at a time, the grade separation structures will be finished out to full vertical clearance.

The grade separation project would involve acquisition of private property for right-of-way in two relatively inconsequential strips. One would be an approximately 10 foot wide strip within the City's Plan Lines for the extension of Garwood Way through to Dairy Lane, which is an essentially undevelopable area of land. The other is an approximately 10 foot strip paralleling the tracks along the current east fence line of the Menlo Station complex, essentially the strip between the parking area and the fence line. The need for these right-of-way acquisitions is to provide land to achieve the JPB's objective of a four-track mainline; it is not a consequence of which grade separation project option is chosen.

Developing the four track mainline and the temporary tracks to maintain rail operations during its construction will necessitate some temporary, minor construction easements on private property. However, construction needs pose a significant issue within the train



station area. The former depot and rail freight buildings (now occupied by the Chamber of Commerce and the model railroaders respectively) are historic structures. If the structures can be relocated and preserved within the station complex, consequences of right-of-way needs in the station area would be minimized. However, if the buildings must be maintained in their exact locations, there would be significant consequences in the construction period and thereafter. In that case, the temporary tracks to maintain rail operations during construction would have to be in Merrill Street in the block between Santa Cruz and Oak Grove Avenues. This block would have to be closed to motor vehicle traffic for most of the construction period, with obvious impacts on local circulation and for businesses that depend on Merrill Street for access. Also, because the mainline tracks would need to be offset to the east to leave the depot building undisturbed on its present location, Alma Street would be significantly narrowed permanently in the block between Ravenswood and Oak Grove, and would be only wide enough to sustain one-way traffic in that block. This is an issue in the case of all grade separation alternatives that would change the elevation of the tracks, not just the preferred Option 4.

Construction of the widened rail line and the temporary surface trackage would potentially involve significant loss of mature trees in the corridor. Modern technology makes it possible to transplant or to uproot, store and replant large trees with a high rate of survival. This technology could allow some existing trees to be preserved and thereby, to develop a project landscaped with a mature tree canopy immediately upon completion.

Grade separations would eliminate the principal source of disturbing rail-related noise concerns in this area; the sounding of train horns and crossing warning bells. Raising the grade of the rails (as in the preferred alternative) would change (broaden) the area over which the sounds of engine noises and of the passage of steel wheels on steel rails projects. However, acoustic studies indicate the changes would not be at levels that would be disturbing or even noticeable to the normal person. Ultimately, electrification may eliminate engine noise. Including noise mitigation in the project (such as extending retaining walls above the train undercarriage level) could potentially limit the propagation of wheel-on-track sounds.

Elevating the grade of the rails poses issues of privacy intrusion and view interruptions for persons living close to the tracks. The poses a trade-off since those most directly impacted by the privacy/view issue are the same people who benefit most through the elimination of train horn and crossing warning bell noise.

Preliminary findings of the work were presented to the public at a public meeting on December 10, 2002. In advance of that session, which had an attendance estimated in excess of 150 individuals, all households and non-residential addresses in Menlo Park were mailed invitations to the meeting. On April 10, 2003 a special joint session of the Planning and Transportation Commissions was held to review the study findings.

### **Next steps**

The study has, at this point, fully carried out the Council's charge of providing engineering feasibility information as to how grade separation of the City street crossings of the tracks could be carried out and what the consequences might be. If the Council wishes to take further action, it could agendize this matter at a subsequent meeting and consider the following steps, many of which are not mutually exclusive:

- Direct staff to continue with a public outreach process in order to disseminate information about the potential project and to gauge public opinion in a manner responsive to Policy II-A-18 of the General Plan (see Policy Issues below).
- Direct the Planning and Transportation Commissions to: consider the study findings in the update of the General Plan; incorporate the study recommendations in the General Plan update or initiate an amendment to the current General Plan to incorporate the study recommendations, in advance of the General Plan update process.
- Direct staff to seek funding for further engineering, planning and urban design of the project from the JPB and SMCTA and, upon obtaining funds, to proceed with such studies.
- Request that the JPB prepare a “Project Report” (more detailed railroad design engineering) in coordination with the planning/urban design studies that the City might lead.
- Request that SMCTA include (or not include) funding for the Menlo Park grade separations as a “Caltrain project” in the Measure A reauthorization. (This particular action could be taken at the “regular business” item on Measure A Extension that is included on tonight’s agenda.)
- Take no further action at this time.

## **IMPACT ON CITY RESOURCES**

Since the JPB’s plans now envision a four-track system on the entire route from San Jose to San Francisco and since PUC regulations require that crossings involving four tracks be grade separated, the grade separation project has essentially become a Caltrain improvement issue. The City’s reasonable expectation in the matter is that the cost to implement grade separation of the Caltrain line through Menlo Park, and to plan and design it, would be fully funded through reauthorization of the San Mateo County Measure A sales tax plus state and possibly federal funds, without significant contribution by the City. If the City desires to undertake further engineering and urban design studies of the concepts, these could likely be funded (including City staff time to coordinate the project) through current or future Measure A regional monies specially allocated to the City for this purpose (as distinct from Measure A monies allocated to the City for its discretionary use).

The dedication of staff time to the grade separation matter will impact the availability of staff to address other community transportation issues.

## **POLICY ISSUES**

General Plan policy 11-A-18 states that the City shall conduct a thorough feasibility study of the grade separation projects included in the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed projects, and shall support only those grade separations that provide sufficient traffic and rail

service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.

Given that it is the JPB's intent to develop a four-track operation and that PUC code requires grade separation of crossings involving four tracks, the City may wish to revisit this policy and determine if the demonstration of need has been fulfilled.

Other General Plan policies relating to bicyclist and pedestrian access, public transit, roadway circulation, public safety and emergency services do not directly address the subject of grade separations but can be interpreted in a manner supportive of the grade separation concept.

## **ENVIRONMENTAL REVIEW**

Grade separation of existing grade crossings and expansion of trackage on commuter rail operations are both activities that are statutorily exempt from the California Environmental Quality Act. No action currently contemplated by the City in relation to the recommended project would require environmental review. Ultimately, if the JPB and the City were to adopt plans that specifically committed to relocating the historic structures that are in the station complex in order to preserve them, specific documentation related to historic preservation would be required. At the present stage of project development, issues regarding the manner of preservation of the historic buildings are merely being identified and no decisions are being made as to whether the structures will be preserved in place or preserved by being relocated within the station complex.

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Dan Smith Jr.  
Transportation Consultant

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Jamal Rahimi  
Transportation Manager

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## PUBLIC WORKS DEPARTMENT

Council Meeting Date: October 19, 2004  
 Staff Report #: F-1  
 Agenda #: 04-207

### **REGULAR BUSINESS: Review of Grade Separation Feasibility Study Findings and Recommendations and Consideration of Further Potential Actions on the Matter**

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#### **RECOMMENDATION**

Staff recommends that the Council consider the findings of the Grade Separation Feasibility Study and take the following actions:

1. Affirm that the "Split" and "Underpass" alternatives are the preferred alternatives for grade separations to be considered for further study work.
2. Request that the Peninsula Corridor Joint Powers Board (JPB) prepare a "project study report" for all four Menlo Park crossings (a more detailed railroad engineering study) in coordination with the City's planning/urban design studies.
3. Consider and give staff direction on the Transportation Commission recommendation to include the City of Palo Alto and Town of Atherton in the next level of project development.

#### **BACKGROUND**

Over the past decade, rail traffic on the Caltrain system has increased by roughly one-third. Over the next decade, rail traffic is planned to increase by another ten to twenty percent over current levels. The growth in rail traffic has increased the disruption to east-west travel, raised emergency response concerns and heightened complaints about train horn noise. These considerations made a reexamination of grade separation possibilities timely and appropriate.

In 1990, the City conducted a preliminary feasibility study of constructing grade separations between the Caltrain rail alignment and Ravenswood, Oak Grove, Glenwood and Encinal Avenues. In some cases, the 1990 designs have been rendered obsolete by subsequent development. In other cases, the 1990 designs involved awkward treatments for bicyclist and pedestrian movements and awkward connections to surrounding streets and property accesses.

Given the above considerations, it seemed appropriate for the City to pursue an updated design feasibility study for grade separations. Doing the feasibility study does not commit the City to actually constructing any grade separations; it simply provides Menlo Park with an up-to-date understanding of what feasible alternative design configurations would entail.

On July 1, 2001, the City Council authorized staff to apply to the San Mateo County Transportation Authority for funds to conduct a feasibility study of grade separations at Ravenswood, Oak Grove, Glenwood and Encinal Avenues from the Caltrain rail line and, upon receipt of the Transportation Authority funding commitment, to develop a work scope and solicit consultant proposals for conducting the feasibility study. In October 2001, the Transportation Authority authorized an allocation of \$188,000 to Menlo Park for the purpose of funding such a study.

On July 16, 2002, the City Council authorized the City Manager to enter into an agreement in the amount of \$195,000 with BKF Engineers, Surveyors and Planners to conduct a feasibility study of grade separations at Ravenswood, Oak Grove, Glenwood and Encinal Avenues from the Caltrain rail line.

On June 10, 2003, the City Council held a study session to review the findings and recommendations of the engineering feasibility study of alternatives for grade separating the City of Menlo Park's four public street crossings of Caltrain. The options included in this study were:

- A "Trench" Alternative, which would lower the tracks and keep the roadway at existing grade;
- An "Overpass" Alternative, which would raise the roadway and keep the tracks at existing grade;
- An "Underpass" Alternative, which would lower the roadway and keep the tracks at existing grade; and
- A "Split" Alternative, which would partially lower the roadway and partially raise the tracks.

Following the June 10 study session, acting in regular session on the same date, the Council directed that the grade separations be nominated in a list of possible future projects to be considered for inclusion for funding under the proposed reauthorization of the San Mateo County Measure A sales tax for transportation improvements. Under the current Measure A reauthorization expenditure plan, \$225,000,000 has been programmed for grade separation projects throughout San Mateo County. The crossings within the City of Menlo Park are eligible for this funding along with all other at grade railroad crossings on the Caltrain system. Including funding for Menlo Park's grade crossings in Measure A keeps the City's options open if it chooses to pursue grade separations in the future. The reauthorization of Measure A goes to the voters of San Mateo County in November 2004 for approval.

On September 9, 2003, the City Council reviewed and considered the findings of the study in which staff recommended as the preferred design the Split Alternative, which involves partially elevating the grade of the rails and partially depressing the grade of the streets. Upon conclusion of its deliberations, the Council directed staff to do the following:

1. Continue to consider the Underpass Alternative as well as the Split Alternative.
2. Consider the practicality of closing Encinal Avenue and Glenwood Avenue at the railroad tracks to possibly reduce the scale of the project.
3. Evaluate aesthetic considerations to make the project visually unobtrusive.

4. Conduct further public outreach.
5. Prepare more tangible examples and graphic materials for presentation to the public.

## **ANALYSIS**

The purpose of the current agenda item is to provide Council with the opportunity to provide formal direction as to what further actions should be taken with regard to the grade separation matter. If and when high speed rail is implemented, grade separations would likely be required in Menlo Park. The City of Menlo Park's efforts to date in exploring design options and gathering public input would be helpful in influencing the future course of action regarding the grade separation project.

Monies to fund grade separations in Menlo Park are not likely to be available in the near term future unless the reauthorization of Measure A and/or the Statewide High Speed Rail bond issue are approved by the voters. The reauthorization of Measure A will be brought before the voters in November 2004. The State legislature and the High Speed Rail Authority intend to place on the ballot in November 2006 a statewide measure to authorize bonds to fund the project through design and first stages of construction. The earliest that actual construction funding could be available would be 2007 or 2008.

### **Split vs. Underpass Alternatives**

The work to refine the Split Alternative focused on minimizing the extent to which the rails are elevated. Based on this additional work, it appears that it would be practical to limit the raising of the track to about seven feet as compared to the ten-foot rise indicated in the initial reports.

Staff has completed a refined assessment of the Underpass Alternative in which the tracks remain at their present grade and the roads are depressed deep enough to pass beneath the tracks. In so doing, staff has identified several issues associated with this design. Because the underpasses go 20 feet below grade, they involve long sloping approaches and long, high retaining walls, which could be considered to be unappealing in appearance. This is illustrated in Appendix B of the consultant report (Attachment A). The long, deep approaches and retaining walls necessitate either severing the connections to some cross streets and private property accesses or extensive regrading of the cross streets and extensive reconfigurations of private property accesses. In addition, solutions to maintain cross street and private property connections compound problematic pedestrian linkages inherent in the deep underpass alternative.

The analysis contained in Appendix A of the consultant report describes the impacts of Underpass and Split design alternatives on the roadway system and the adjacent properties (Attachment A). Based on the results of this study, it appears that the impact on properties around the existing at grade crossings will be greater with the Underpass Alternative than with the Split Alternative. Some of the negative impacts associated with the Split Alternative are the visual impacts of the elevated tracks and removal of trees because of the embankments required to raise the tracks.

Staff recommends that both the Split and Underpass alternatives be studied further. Various options for street connections are available under each alternative. For example, streets parallel to the tracks such as Alma and Merrill could pass over, connect to, or become dead ends at their connections to Ravenswood Avenue and Oak Grove Avenue. Numerous possibilities exist that will significantly affect street circulation and land uses in the area. A more thorough analysis could better identify the advantages and disadvantages of various street connection options under both the Split and Underpass alternatives.

### **Closing Encinal and Glenwood Crossings**

If the Encinal and Glenwood crossings were closed to limit the scale of the grade separation project, it is estimated that approximately 11,000 vehicle trips per day would be shifted to the crossings at Oak Grove Avenue and Watkins Avenue in Atherton. This would introduce significant additional traffic impacts on the adjoining residential areas. Reducing the number of rail crossings could have adverse consequences for both emergency services and ordinary circulation when a collision, breakdown, major incident or ordinary maintenance event obstructs one of the remaining crossings. Bicyclists and pedestrians who now rely on the Glenwood and Encinal crossings may be forced to make out-of-direction travel to use the remaining crossings or may resort to illegal and unsafe trespass crossings at or near the former street crossings. Based on the above considerations staff recommends that all four crossings be studied for grade separation.

### **Public Outreach**

Staff has conducted focused public outreach regarding the impacts of the project on the residential and commercial properties along Oak Grove Avenue, Glenwood Avenue and Encinal Avenue. Business and commercial centers along the railway were invited to a meeting sponsored by the Menlo Park Chamber of Commerce on August 5, 2004 to discuss the conceptual design plans and graphic materials. All the property owners and tenants of the properties along this corridor, along with other interested parties, were also invited to attend a Transportation Commission meeting held on September 8, 2004. At this meeting, a detailed analysis of the Split and Underpass alternatives was presented. The station layout for both alternatives was also presented.

The issues and concerns raised by the members of the community regarding Caltrain grade separation are summarized below. Many residents believe that with elevated tracks their quality of life and property values will be negatively impacted. They attribute the negative impacts to the visual intrusion of the raised tracks into the neighborhoods and added noise due to higher elevation of the tracks. Residents are concerned about the loss of heritage trees along the railroad right-of-way. They are also concerned about the loss of privacy due to raised tracks and exposure of their homes and back yards to the commuters. Some residents are concerned about impact on access to their properties or total loss of their properties. Affected business and property owners are concerned about the impacts to their business and loss of income during construction. They are also concerned about the permanent impacts of the project on their property due to limited or severed access.

### **Additional Graphic Materials**

In response to the Council's request for additional graphics to illustrate the different options, the City retained Callander Associates. The firm developed a layout for the Menlo Park Caltrain Station under both alternative design concepts. The results of this work are presented in Appendix B of the consultant report (Attachment A). In both instances, the plans call for the relocation of the three existing buildings on the Caltrain Station site because of the need to widen passenger platforms. The main depot building would be moved closer to Santa Cruz Avenue to establish a focal point for the station that could be seen from the Downtown area. The model railroad building would be moved to the north next to Oak Grove Avenue, away from the more heavily traveled areas, while the bike shelter would be moved slightly south.

### **Possible Next Steps**

The Transportation Commission recommended the formation of a subcommittee comprised of Transportation Commissioners, Planning Commissioners and City Council Members to open a dialogue with the Town of Atherton and City of Palo Alto. With the Council's approval, staff would approach senior staff of the neighboring jurisdictions to explore their interests and concerns regarding this issue. If there is an interest in neighboring jurisdictions, staff would define a more specific process where information could be shared and common interests could be explored further. Staff would then return to the Council with the results of this effort in order to seek direction from the Council regarding a further course of action in addressing the Transportation Commission's recommendation.

### **Summary of Questions for Council Discussion**

The issues before the Council for its review and consideration are as follows:

- Should the City receive the grade separation report and take no further action at this time?
- Should the City select the Split and Underpass alternatives as the preferred alternatives for grade separation for further study?
- Should the City request the JPB to prepare a "project study report" for all four crossings in Menlo Park?
- Should the City apply for new grant funding to further analyze the impacts of grade separations in Menlo Park and prepare urban design concepts for the Caltrain Station area?
- Should the City involve the City of Palo Alto and Town of Atherton in the next level of project development?

### **IMPACT ON CITY RESOURCES**

The study grant is now fully expended. The City's expectation is that the cost to implement grade separation of the Caltrain line through Menlo Park, including planning and design, would be fully funded by Caltrain. Likely funding sources include the reauthorization of the San Mateo County Measure A sales tax, State and/or Federal funds, and, potentially, statewide high speed rail funds. If the City desires to undertake



further engineering and urban design studies of the concepts, JPB/SMCTA staff informally indicate that they would consider funding additional studies (including City staff time to coordinate the project) through current or future Measure A regional monies.

The dedication of staff time to the grade separation matter will impact the availability of staff to address other community transportation issues.

## **POLICY ISSUES**

The current Menlo Park General Plan acknowledges the possibility of grade separation of the rail crossings, but takes a non-committal stance toward them. Policy II-A-18 states that, “the City shall conduct a thorough feasibility study of the grade separation projects included in the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed projects, and shall support only those grade separations that provide sufficient traffic and rail service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.”

The current study addresses many of the items raised in Policy II-18-A. Staff feels that additional studies would be consistent with the direction provided by the General Plan.

## **ENVIRONMENTAL REVIEW**

This project consists of a feasibility study. No action currently contemplated by the City in relation to this study would require environmental review.

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Jamal Rahimi  
Transportation Manager

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Kent Steffens  
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.

**ATTACHMENT:**     **Consultant Report**

**PUBLIC WORKS DEPARTMENT**

Council Meeting Date: November 27, 2007

Staff Report #: 07-200

Agenda Item #: Study Session

**STUDY SESSION: Review of the Caltrain Grade Separation Footprint Study and Prior City Studies of Possible Grade Separations with Caltrain Tracks and the Roadways of Ravenswood Avenue, Oak Grove Avenue, Glenwood Avenue, and Encinal Avenue**

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The purpose of the study session is to provide information to City Council on the Grade Separation Footprint Study performed by Caltrain, and the previous grade separation study performed by the City in 2003-04. No council action is required.

**BACKGROUND**

At the request of Council Members Boyle and Robinson, the scope of a potential study session on Caltrain grade separations was placed on the Council's October 16, 2007 meeting agenda for discussion. Council directed staff to conduct a study session to educate Council Members on prior studies conducted by Menlo Park and to invite representatives from Caltrain to present information on its more recent Grade Separation Footprint Study. Council specifically indicated that the study session should be educational and it would not be taking a position on grade separations as part of the study session. It further directed staff to coordinate with the Town of Atherton to schedule a joint session on grade separations in January and to let Atherton know when the Menlo Park study session was scheduled so its council members and staff could attend if interested. Atherton has been informed of the November 27 grade separation study session.

The City obtained funding for a grade separation study from the San Mateo County Transportation Authority in July of 2002. The City retained BKF Engineers of Redwood City to conduct the study and worked with Caltrain staff throughout the process. The City's study evaluated four basic alternatives:

- A "Trench" Alternative, which would lower the tracks and raise the roadways
- An "Overpass" Alternative, which would raise the roadway and keep the tracks at existing grade
- An "Underpass" Alternative, which would lower the roadway and keep the tracks at existing grade
- A "Split" Alternative, which would partially lower the roadway and partially raise the tracks

The Council first considered the findings of the Grade Separation Study at a study session on June 10, 2003 (Staff Report 03-101, Attachment A).

The Grade Separation Study was brought back for Council discussion and action on September 9, 2003 (Staff Report 03-142, Attachment B). At that meeting Council directed staff to continue further studies of the "Split" Alternative and "Underpass" Alternative and to develop graphics that were more easily understood by the public. It also gave direction to consider the practicality of closing Encinal Avenue and Glenwood Avenue at the railroad tracks rather than pursuing grade separations.

Supplemental information on the Grade Separation Study was presented to Council on October 19, 2004 (Staff Report 04-207, Attachment C). At that meeting Council gave direction to convene meetings of neighboring cities to determine if there were common interests among the neighboring jurisdictions of Atherton, Palo Alto, Mountain View, and Redwood City. Several meetings were held with elected officials of these neighboring jurisdictions. Each city had different issues with grade separations depending on the configuration of roadways and existing parcels around potential grade separation locations. No formal recommendations or actions were taken as a result of these group meetings.

## **ANALYSIS**

The purpose of this study session is to educate Council Members and the public about potential options for grade separations in Menlo Park. City staff will present information from prior studies on grade separation alternatives completed in 2004. Representatives from Caltrain will present information from a more recent study that evaluated grade separations throughout San Mateo County.

The original goal of the City's grade separation study was to evaluate various alternatives and for City Council to adopt a preferred method for grade separations in Menlo Park. With this information the City could have actively pursued funding for grade separation design and construction. Another potential reason to establish a preferred alternative was to attempt to influence the State if the California High Speed Rail Project is approved by voters and grade separations are required in Menlo Park. Alternatively, the City Council could have determined from the study document that the impacts with certain alternatives were too severe and therefore the City should take a position to prevent grade separations from being constructed in Menlo Park.

The prior grade separation study ultimately did not result in the City selecting a preferred alternative and the City has not taken a formal position on whether or not it should actively pursue grade separations. The prior study resulted in furthering the City's knowledge of grade separations but due to funding limitations, not all aspects of grade separations could be studied. Most notably, some of the information that was not included in prior studies but may be useful includes:

- A study of the noise impacts of the various alternatives
- Cost estimates for the various alternatives
- A study of the traffic impacts resulting from changes in how roadways are reconfigured as a result of grade separations and whether changes in roadway configuration (other than as shown in the study materials prepared to date) could reduce the impacts

Next steps would be to conduct a joint City Council meeting regarding grade separations with the Town of Atherton as directed by Council. Additional funding for further studies in Menlo Park may be available from the San Mateo County Transportation Authority (SMCTA). These sources would be reviewed if further studies are pursued following the joint meeting with Atherton.

In accordance with discussion by Council Members when the scope of this study session was being developed, staff will briefly discuss peripheral topics that were not covered by the earlier grade separation report. These include:

- Potential impacts of grade separation to a future bike/pedestrian tunnel alignment between Ravenswood Avenue and the San Francisquito Creek
- “Top Down” construction methods as a way to potentially reduce construction impacts of an underpass alternative
- Quiet Zones – opportunities and challenges
- A tunneling option – information from the California High Speed Rail Environmental Impact Report

## **IMPACT ON CITY RESOURCES**

The City’s Fiscal Year 2007-08 adopted budget does not include funding for further studies of grade separations in Menlo Park. If the Council chooses to continue evaluating grade separation alternatives or develop new policies around grade separations in 2007-08, staff resources would need to be shifted from other approved transportation division projects. Additional work on grade separations could be considered for Fiscal Year 2008-09 through the annual project priority process.

## **POLICY ISSUES**

A review of potential grade separations is consistent with the City’s current General Plan. Policy II-A-18 states that, “the City shall conduct a thorough feasibility study of grade separation projects included on the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed projects, and shall support only those grade separations that provide sufficient traffic and rail service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.”

## ENVIRONMENTAL REVIEW

As a feasibility study, review under the California Environmental Quality Act is not required at this time.

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Kent Steffens  
Director of Public Works

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**ATTACHMENT:**

- A. [Staff report 03-101 dated June 10, 2003 with Grade Separation Study Report](#)
- B. [Staff report 03-142 dated September 9, 2003](#)
- C. [Staff report 04-207 dated October 19, 2004 with Grade Separation Feasibility Study Supplement](#)

**PUBLIC WORKS DEPARTMENT**

Council Meeting Date: January 29, 2008  
Staff Report #: 08-014

Agenda Item #: C1

**STUDY SESSION: Discussion of Potential Caltrain Grade Separation Alternatives with the Town of Atherton**

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The purpose of the study session is discuss potential Caltrain grade separation alternatives with members of the Atherton City Council so that issues of common interest can be explored. No City Council action is required.

**BACKGROUND**

At the request of Council Members John Boyle and Heyward Robinson, the scope of a possible study session on Caltrain grade separations was placed on the City Council's October 16, 2007 meeting agenda for discussion. At that meeting, Council directed staff to conduct a study session to educate Council Members on prior studies conducted by Menlo Park and to invite representatives from Caltrain to present information on its more recent Grade Separation Footprint Study. The Council further directed staff to let Atherton know when the Menlo Park study session was scheduled so its council members and staff could attend if interested and to coordinate with the Town of Atherton to schedule a joint session on grade separations in January.

The Menlo Park study session on Caltrain grade separations was held on November 27, 2007. Staff Report 07-200 from that meeting is included as Attachment A (without the report attachments). It provides additional background on the prior grade separation study conducted by the City of Menlo Park and the alternatives that were considered.

**ANALYSIS**

The original goal of the City's grade-separation study was to evaluate alternatives and for the City Council to select a preferred method for grade separations in Menlo Park. With this information, the City could have actively pursued funding for grade-separation design and construction. Alternatively, the City Council could have determined from the study that the impacts of certain alternatives were too severe and therefore the City should take a position to oppose grade separations being constructed in Menlo Park. Another reason to choose a preferred alternative would have been to attempt to influence the State if the California High Speed Rail Project is approved by voters and grade separations are required in Menlo Park. The prior grade-separation study ultimately did not, however, result in the City selecting a preferred alternative, and the City has not taken a formal position on whether it should actively pursue grade separations.

Because of the close proximity of existing at-grade crossings in Menlo Park and the Town of Atherton, grade-separation alternatives that involve either raising or lowering the elevation of the railroad tracks will affect the elevation of the tracks in the adjacent jurisdiction as well. For example, if Menlo Park preferred raising the tracks to accomplish grade separations, the tracks would also have to be elevated through much of Atherton. This does not, however, appear to be the case in the jurisdictions north of Atherton and south of Menlo Park. Menlo Park could either raise or lower the tracks at Ravenswood Avenue and still meet the existing grade of the San Francisquito Creek rail crossing and, therefore, not affect Palo Alto. Atherton could either raise or lower the elevation at its Fair Oaks Lane crossing and still meet the elevation at the next crossing to the north — Fifth Avenue in unincorporated San Mateo County (which is already grade-separated). For alternatives that leave the railroad tracks at their current elevation, each crossing can be treated independently and even constructed at different times.

The purpose of this joint study session is to explore common interests between Menlo Park and the Town of Atherton as each jurisdiction evaluates the alternatives for railroad grade separations. Staff will present background on prior grade-separation studies and provide additional information on the following topics:

- railroad track elevations for a fully lowered-train alternative.
- cost considerations resulting from the impacts to adjacent properties.
- relationship of the California High Speed Train to local grade separations.
- currently planned Caltrain safety improvements.
- need for further grade-separation studies.

## **IMPACT ON CITY RESOURCES**

The City's Fiscal Year 2007-08 adopted budget does not include funding for further studies of grade separations in Menlo Park. If the Council chooses to continue evaluating grade-separation alternatives or develop new policies around grade separations in 2007-08, staff resources would need to be shifted from other approved transportation division projects. Council could instead choose to consider additional work on grade separations in Fiscal Year 2008-09 as part of the annual project priority-setting process now getting underway.

Additional funding for further studies in Menlo Park may be available from the San Mateo County Transportation Authority. These sources would be reviewed if further studies are pursued following the joint meeting with Atherton.

## **POLICY ISSUES**

A review of potential grade separations is consistent with the City's current General Plan. Policy II-A-18 states that, "the City shall conduct a thorough feasibility study of grade separation projects included on the Measure A sales tax expenditure plan, including all impacts of such proposed projects and alternatives to the proposed

projects, and shall support only those grade separations that provide sufficient traffic and rail service benefits to offset potential negative impacts to the community. The City shall evaluate all alternatives to any grade separations and shall attempt to gauge public opinion, possibly through an advisory election, before proceeding with a grade separation project. Any approval of a grade separation project shall include findings specifying why the alternatives are not suitable and the reasons for proceeding with the grade separation project.”

## **ENVIRONMENTAL REVIEW**

A review under the California Environmental Quality Act is not required at this time.

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Kent Steffens  
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.

**ATTACHMENT:** A. [Staff Report 07-200, dated November 27, 2007, without attachments. \(All attachments are available on the City website.\)](#)





# PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 13, 2012  
Staff Report #: 12-171

Agenda Item #: F-3

**REGULAR BUSINESS:** Appoint a Councilmember Representative and Alternate to the Caltrain Modernization Local Policymaker Group

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## RECOMMENDATION

Staff recommends the City Council appoint a Councilmember representative and alternate to the Caltrain Modernization Local Policymaker Group, to serve through December 2013.

## BACKGROUND

Caltrain is proceeding forward with an initiative to modernize their current system to provide a more effective and efficient system. The modernization will likely include positive train control, electrification and the potential for additional grade separations. Caltrain is also working with the High Speed Rail Authority on a potential blended system to share the tracks with both rail services. Caltrain is currently developing technical studies to better evaluate the feasibility of a blended system and an increased Caltrain system. These studies include a capacity analysis and the potential passing tracks with four tracks in some areas or a three track system in a larger area, traffic analysis with additional gate downtime, and a service plan.

## ANALYSIS

Caltrain has created a Local Policymaker Group to better engage and inform the cities along the Caltrain corridor. The group will likely meet monthly and would be open to the public. The meetings are intended to share information, collect feedback and foster dialogue about the project. The first meeting was attended by Mayor Keith and as a result of their discussion Caltrain is planning to have the group meet regularly and is asking for an official representative and alternate. (See Attachment A) The initial request was for the representative to be appointed by October 19<sup>th</sup>, but Caltrain has not scheduled a meeting of the group as of the printing of this staff report.

Typically the City Council appoints Council representatives to local and regional Boards and Committees in the second meeting in December. Staff is suggesting this appointee serve through December 2013, if the groups continues to meet that long.

## IMPACT ON CITY RESOURCES

Staff resources may be required to support the group member. Depending on the strategies selected to advocate for Menlo Park's interests, additional resources may be

needed in the future. In addition, other transportation related projects or work initiatives may be impacted if the workload capacity of the transportation staff is exceeded.

## **POLICY ISSUES**

The representative will be responsible for representing the City Council's stated position on issues addressed at the Caltrain meetings. In addition, the representative will need to brief the Council on pending issues and actions taken either orally or in writing.

Signature on File  
Chip Taylor  
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. Letter from Caltrain



## ATTACHMENT A

BOARD OF DIRECTORS 2012

ADRIENNE TISSIER, CHAIR  
KEN YEAGER, VICE CHAIR  
JOSÉ CISNEROS  
MALIA COHEN  
JERRY DEAL  
ASH KALRA  
LIZ KNISS  
ARTHUR L. LLOYD  
TOM NOLAN

MICHAEL J. SCANLON  
EXECUTIVE DIRECTOR

October 5, 2012

The Honorable Kirsten Keith  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025-3452

Dear Mayor Keith:

On September 18, policymakers representing the cities and counties that Caltrain serves between San Francisco and San Jose met to discuss opportunities for their participation in the ongoing Caltrain Modernization planning process.

The meeting was well attended, although a few cities were unable to attend due to conflicts. Moving forward, we hope all of the cities and counties will be able to participate.

The general feedback from the meeting participants was positive and participants collectively agreed on the following:

- The cities and counties along the proposed modernized Caltrain corridor would like to meet regularly as a group;
- The meetings will be open to the public and each city and county will have one representative; and
- The meetings will be used for information sharing and as a venue to foster dialogue and collect feedback about local interests and concerns on topics that will help inform project advancement.

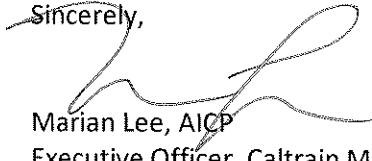
In order to move forward as quickly as possible, please designate a representative and alternate to represent your policy board and confirm their selection with Donna Chung at [chungd@samtrans.com](mailto:chungd@samtrans.com), 650-508-6453 by October 19th. Please know that several meeting participants expressed the importance of selecting individuals that would be able to commit to this effort for multiple years to ensure continuity in the process.

Following your selection, we will poll members to find a regular time to convene monthly meetings. It may be difficult to find an ideal time for everyone but we will do our best to find a time that works for all of the participants.

**PENINSULA CORRIDOR JOINT POWERS BOARD**  
1250 San Carlos Ave.- P.O. Box 3006  
San Carlos, CA 94070-1306 650.508.6269

Thank you for your commitment and dedication to the Caltrain Modernization Program. We look forward to working with you more closely. If you have any questions, please contact me at [leem@samtrans.com](mailto:leem@samtrans.com), 650-622-7843 or Seamus Murphy at [murphys@samtrans.com](mailto:murphys@samtrans.com), 650-508-6388.

Sincerely,



Marian Lee, AICP  
Executive Officer, Caltrain Modernization Program

Copy: Adrienne Tissier  
Mike Scanlon  
Seamus Murphy  
City Manager  
City Council



# PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 13, 2012

Staff Report #: 12-169

Agenda Item #: I-1

**INFORMATION ITEM: Biannual Update of Schedules for Capital Improvement Projects**

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

**BACKGROUND**

In 2008, staff began developing graphic indicators for each funded capital project. Staff committed to update the schedules twice per year. The last update was provided in March 2012.

**ANALYSIS**

The development of project schedules has provided a useful tool to assess the progress of individual projects as well as the capital improvement program as a whole. Schedules are also used to assess staff capacity to take on new projects each fiscal year.

Attachment A provides an overall summary of the number of projects that are currently active, projects that have been completed since the last update, and those that will start later in the fiscal year. These statistics are provided in two tables, one sorted by the fiscal year the project began, and a second sorted by department.

Attachment B is a status report listing each project, its approved budget, lead department, current status and expected completion date. Projects that were listed as complete on the last update have been removed.

Over time, project summaries can be used to analyze trends such as whether projects are being added at a faster pace than projects are being completed. The following table shows an overall summary of projects since the tracking system was created.

Status as of	Active	Complete	Hold	Start Pending	Total <small>*includes one unfunded project</small>
October 7, 2008	57	13	1	11	82
March 17, 2009	55	8	4	1	68
October 6, 2009	46	11	5	22	84
March 9, 2010	57	2	5	6	70
October 19, 2010	46	18	9	16	89
March 15, 2011	50	5	12	4	71
October 18, 2011	46	12	11	20	89
March 13, 2012	46	6	10	9	78
November 13, 2012	47	23	11	8	*90

The current project scheduling system has now been in place for five years. The number of active projects in the nine biannual reporting periods has averaged 50 and remained relatively constant. The number of completed projects has varied significantly by reporting period. In five years, 98 projects have been completed, or an average of 20 projects per year. The number of projects on hold has increased steadily over the years and at some point the City may wish to consider removing some of these projects if it is unlikely that they will restart.

Staff continues to look for alternate methods to implement projects. Staff is working to document workflows and evaluate ways to reduce issues and streamline working on projects. This process may include consideration of the appropriate level of consultant services to increase the overall efficiency of the system with the unknown variability in the number of projects active at a particular time.

### **IMPACT ON CITY RESOURCES**

Transmittal of project updates has no direct impact on City resources. Due to the number of projects currently in the Capital Improvement Plan and additional projects from grant funding, private development, and outside agencies such as Caltrain (High speed Rail), additional resources may be required to complete these projects.

### **POLICY ISSUES**

No policy issues are raised in this report.

### **ENVIRONMENT REVIEW**

As an information report, environmental review is not required.

Signature on File  
Chip Taylor  
Public Works 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. Overall Project Summary
- B. Capital Improvement Project Status Report
- C. Individual Project Schedules
- D. Public Works Department Project Composite

City of Menlo Park  
 Capital Improvement Project Update  
 Overall Project Summary  
 Updated October 30, 2012

ATTACHMENT A

**PROJECT STATISTICS BY FISCAL YEAR**

	Project Status					Total
	Active	Complete	Hold	Start Pending	Unfunded	
2002-03			1			1
2003-04						0
2004-05			1		1	2
2005-06						0
2006-07		2				2
2007-08		2	2			4
2008-09	4	2	4			10
2009-10	5	2				7
2010-11	4	5		1		10
2011-12	11	8	2			21
2012-13	16			7		23
Added	7	2	1			10
<b>All Projects</b>	<b>47</b>	<b>23</b>	<b>11</b>	<b>8</b>	<b>1</b>	<b>90</b>

**PROJECT STATISTICS BY DEPARTMENT**

	Project Status					Total
	Active	Complete	Hold	Start Pending	Unfunded	
Administrative Services	1			1		2
Community Development	1	2	2			5
Community Services	1	1				2
Library	2					2
Police	1					1
Public Works – Engineering	19	10	6	2	1	38
Public Works – Maintenance	8	3		5		16
Public Works - Transportation	14	7	3			24
<b>All Projects</b>	<b>47</b>	<b>23</b>	<b>11</b>	<b>8</b>	<b>1</b>	<b>90</b>

City of Menlo Park  
Project Priorities Status Report

ATTACHMENT B

Updated: October 30, 2012

Pg. No.	Project Name	Approved Budget	Fiscal Year Funded	Lead Department	Status Active/ Complete	Complete 2012-13 (Yes/No)	November 12 Anticipated Completion
1	City Facilities Telephone System Upgrade	\$295,000	2012-13	Administration Services	Active	Yes	Jun-13
2	Council Chambers Audio/Video	\$75,000	2012-13	Administration Services	Starts Feb. 2013	Yes	Jun-13
-	El Camino Real/Downtown Specific Plan *	\$1,691,240	2008-09 through 2011-12	Community Development	Completed	No	Jun-12
3	Housing Element	\$1,150,000	2011-12	Community Development	Active	Yes	Mar-12
-	Modify Single Family Residential Zoning Standards and Review Process	\$5,000	2008-09	Community Development	On Hold		
4	Sustainable Building Program	\$10,000 \$30,000	2008-09 2012-13	Community Development/Public Works- Environmental	Phase 1 – Completed August 2011 Phase 2 - Active	No	Phase 2 to be completed Sept 2013
-	Willow Business Area and M-2 Zoning District Area Work Program	Phases 1.1 and 1.2 \$35,000 Phase 1.3 \$500,000	2004-05 for Phases 1.1 and 1.2 Phase 1.3 yet to be funded	Community Development	Phases 1.1 and 1.2 - On Hold Phase 1.3 Pending	No	TBD
-	Burgess Gymnastics Center Equipment	\$54,000	2010-11	Community Services	Completed	Yes	Aug-12
5	Burgess Pool Pump Ladder	\$28,000	2012-13	Community Services	Active	Yes	Mar-13
6	Automated Library Materials Return	\$120,000	2012-13	Library	Active	Yes	Jun-13
7	Library RFID Conversion Project	\$94,000	2011-12/ 2012-13	Library	Active	Yes	Dec-12
8	Radio Infrastructure Replacement	\$130,000	2012-13	Police	Active	Yes	Jun-13
9	Atherton Channel Flood Abatement	\$500,000	2010-11/ 2011-12	Public Works Engineering	Active	No	TBD
10	Bay Levee Project	\$300,000	Added Oct.2012	Public Works Engineering	Active		TBD
-	Bedwell Bayfront Park Gas Collection System Improvements Study and Conceptual Design	\$80,000	2011-12	Public Works Engineering	On Hold	No	
11	Beechwood School Property Sale	\$45,000	Added Feb. 2008	Public Works Engineering	Active	Yes	Apr-13
-	Burgess Gymnastics Center	\$6,200,000	2010-11	Public Works Engineering	Completed	Yes	Jul-12
-	Chrysler Pump Station Discharge Pipe Replacement	\$60,000	2010-11	Public Works Engineering	Completed	Yes	Oct-12
12	Chrysler Pump Station Improvements	\$80,000	2012-13	Public Works Engineering	Starts Nov 2012	No	Dec-13
-	Commercial Recycling Ordinance	\$10,000	2009-10	Public Works Engineering	Completed	Yes	Jul-12



City of Menlo Park  
Project Priorities Status Report

Updated: October 30, 2012

Pg. No.	Project Name	Approved Budget	Fiscal Year Funded	Lead Department	Status Active/ Complete	Complete 2012-13 (Yes/No)	November 12 Anticipated Completion
13	Emergency Water Supply	\$4,196,218	2004-05/ 2011-12	Public Works Engineering	Active	No	Jan-14
14	Energy Audit of City Administration	\$40,000	2012-13	Public Works Engineering	Active	No	Dec.13
-	Highway 84 Carbon Offset Project	\$350,000	Added March 2012	Public Works Engineering	On Hold	No	
-	LED Streetlight Retrofits 2009-10	\$323,154	Added Feb. 2010	Public Works Engineering	Completed	Yes	Apr-12
15	LED Streetlight Retrofits 2012-13	\$49,629	Added Nov. 2012	Public Works Engineering	Active	Yes	Apr-13
-	Main Library Circulation Area Redesign	\$150,000	2006-07	Public Works Engineering	Completed	Yes	Jul-12
16	Middlefield Road Storm Drain	\$150,000	2008-09	Public Works Engineering	Active	Yes	Mar-13
-	Parking Plaza 2 Renovation	\$790,000	2006-07	Public Works Engineering	Completed	Yes	Jul-12
-	Parking Plaza 7 Renovation Design and Construction	\$980,000	2010-11/ 2011-12	Public Works Engineering	On Hold	No	
-	Police/City Service Cntr– Belle Haven	\$2,230,000	2002-03	Public Works Engineering	On Hold	No	
-	Preliminary Design of Restroom Facilities at Jack Lyle Memorial Park and Willow Oaks Park	\$35,000	2008-09	Public Works Engineering	On Hold	No	
-	San Francisquito Creek Bonde Weir Fish Passage Improvements	\$248,000	2004-05	Public Works Engineering	Unfunded project transferred to another agency		
17	Santa Cruz Avenue Sidewalk Improvements Design and Construction *	\$600,000	2009-10/ 2010-11	Public Works Engineering	Starts July 2013	No	Jun-14
18	Sharon Heights Pump Station Replacement Design and Construction	\$2,605,000	2008-09/ 2009-10	Public Works Engineering	Active	No	Dec.13
-	Seminary Oaks Pathway Replacement	\$140,000	2011-12	Public Works Engineering	Completed	Yes	Oct-12
-	Sidewalk Repair Program 10-11	\$240,000	2010-11	Public Works Engineering	Completed	No	May-12
19	Sidewalk Repair Program 11-12	\$300,000	2011-12	Public Works Engineering	Active	Yes	Jan-13
20	Sidewalk Repair Program 12-13	\$300,000	2012-13	Public Works Engineering	Active	Yes	Jun-13
-	Storm Drain Fee Study	\$75,000	2007-08	Public Works Engineering	On Hold	No	
-	Storm Drain Improvements and Cleaning 11-12	\$160,000	2011-12	Public Works Engineering	Completed	No	Nov. 11
21	Storm Drain Improvements and Cleaning 12-13	\$160,000	2012-13	Public Works Engineering	Active	No	Dec-13
-	Street Resurfacing Project Design 10-11	\$200,000	2010-11	Public Works Engineering	Completed	No	Mar-12

City of Menlo Park  
Project Priorities Status Report

Updated: October 30, 2012

Pg. No.	Project Name	Approved Budget	Fiscal Year Funded	Lead Department	Status Active/ Complete	Complete 2012-13 (Yes/No)	November 12 Anticipated Completion
22	Street Resurfacing Project 11-12	\$5,720,000	2011-12	Public Works Engineering	Active	Yes	Dec-12
23	Street Resurfacing Project Design 12-13	\$225,000	2012-13	Public Works Engineering	Active	Yes	Apr-13
24	Street Resurfacing of Federal Aid Routes 11-12	\$575,000	Added Oct 2012	Public Works Engineering	Active	Yes	Jul-13
25	Trash Capture Device Installation	\$23,094	2010-11	Public Works Engineering	Active	Yes	May-13
26	Utility Undergrounding Study of City Parking Plazas	\$100,000	2008-09	Public Works Engineering	Active	No	Dec-13
27	Water System Master Plan	\$300,000	Added Oct. 2012	Public Works Engineering	Active	No	Dec-13
28	Water Main Replacement 12-13	\$2,000,000	2012-13	Public Works Engineering	Active	No	Dec-13
29	Administration Building Emergency Generator	\$50,000	2011-12	Public Works Maintenance	Active	Yes	Jun-13
30	Belle Haven Child Development Outdoor Play Space Remodel	\$75,000	2012-13	Public Works Maintenance	Starts Dec 12	Yes	Mar-13
31	Belle Haven Pool Boiler/Pumps Upgrades	\$63,770	2011-12	Public Works Maintenance	Active	Yes	Jun-13
-	City Buildings (Minor) 11-12	\$275,000	2011-12	Public Works Maintenance	Completed	Yes	Nov-12
32	City Buildings (Minor) 12-13	\$275,000	2012-13	Public Works Maintenance	Starts April 13	No	Sept. 13
33	Council Chambers Mics/Voting Equipment	\$60,000	2012-13	Public Works Maintenance			
34	Downtown Irrigation Replacement	\$345,000	2010-11/ 2012-13	Public Works Maintenance	Active	Yes	May-13
35	El Camino Real Tree Planting	\$200,000	2012-13	Public Works Maintenance	Active	No	Oct. 2013
36	Hillview School Fields Renovation	\$500,000	2010-11	Public Works Maintenance	Active	Yes	Dec-12
-	Main Library Carpet Replacement	\$175,000	2011-12	Public Works Maintenance	Completed	Yes	Jul-12
-	Park Improvements (Minor) 11-12	\$110,000	2011-12	Public Works Maintenance	Completed	No	Jun-12
37	Park Improvements (Minor) 12-13	\$120,000	2012-13	Public Works Maintenance	Starts March 13	No	Jul-13
38	Police Parking Lot Security	\$40,000	2012-13	Public Works Maintenance	Starts Feb 13	No	Jul-13
39	Reservoir #1 & Reservoir #2 Mixers	\$200,000	2008-09	Public Works Maintenance	Active	Yes	Sep-13
40	Reservoir Re-roofing	\$350,000	2009-10	Public Works Maintenance	Active	No	Aug-13
41	Water Conservation Upgrades for City Facilities	\$35,000	2011-12	Public Works Maintenance	Active	Yes	May-13
42	Alpine Road Bike Improvement Project	\$201,660	Added Oct 2012	Public Works Transportation	Active	Yes	May-13

City of Menlo Park  
Project Priorities Status Report

Updated: October 30, 2012

Pg. No.	Project Name	Approved Budget	Fiscal Year Funded	Lead Department	Status Active/ Complete	Complete 2012-13 (Yes/No)	November 12 Anticipated Completion
-	Alternative School Transportation (Implementation)	TBD	2008-09	Public Works Transportation	Completed Will apply for County funds		
-	Bike Lane Parking Mitigation Study	\$25,000	2009-10	Public Works Transportation	Completed	Yes	5/13/2013 Ongoing operating
-	Caltrain Bike/Pedestrian Undercrossing Study & Conceptual Design between Ravenswood Ave and City Limits	\$55,000	2007-08	Public Works Transportation	Completed with Specific Plan	No	Jun-12
43	Complete Streets Ordinance Study	\$100,000	2012-13	Public Works Transportation	Active	No	Jan-13
-	Downtown Parking Modifications	\$126,036	Added Aug. 2010	Public Works Transportation	Complete	No	Jul-12
-	High Speed Rail Coordination*	\$290,000	2009-10	Public Works Transportation	On Going	No	
44	Linfield /Middlefield Crosswalk	\$50,000	2010-11	Public Works Transportation	Active	Yes	Apr-13
45	Middle Avenue Bike Lane Feasibility Study	\$25,000	2009-10	Public Works Transportation	Active	No	Dec-13
46	Oak Grove/Merrill Intersection Lighted Crosswalk	\$55,000	2011-12	Public Works Transportation	Active	No	Aug-13
-	Residential Shuttle Service to the Menlo Park Caltrain Station Study	\$35,000	2008-09	Public Works Transportation	On Hold	No	
-	Safe Routes to Encinal School Plan Implementation	\$55,000	2008-09	Public Works Transportation	On Hold	No	
47	Safe Routes to Hillview School-Construction	\$143,000	Added Feb. 2008	Public Works Transportation	Active	Yes	Mar-13
48	Safe Routes to Oak Knoll School Design	\$40,000	2011-12	Public Works Transportation	Active	No	May-13
49	Safe Routes to Valparaiso Avenue Plan	\$80,000	2009-10	Public Works Transportation	Active	Yes	Mar-13
-	Sand Hill Road between Addison-Wesley and I-280 Including Bicycling Study	\$50,000	2007-08	Public Works Transportation	On Hold	No	
50	Sand Hill Road/Branner Signal Master Arm Construction	\$75,000	2010-11	Public Works Transportation	Active	Yes	Jun-13
51	Santa Cruz Avenue Sidewalk Preliminary Design Phase	\$110,000	2008-09	Public Works Transportation	Active	Yes	Jun-13
52	Sidewalk Master Plan Implementation	\$100,000	2012-13	Public Works Transportation	Active	No	Apr-14
-	School Traffic Trip Reduction Study	\$100,000	2007-08	Public Works Transportation	Completed	No	Apr-12
-	Sidewalk Accessibility and Sidewalk Master Plan Implementation 11-12*	\$220,000 \$100,000	2008-09 2011-12	Public Works Transportation	Completed	Yes	Jul-12
53	Willow Road Signal Interconnect	\$300,000	2011-12	Public Works Transportation	Active	No	Jul-13
54	Willow Road Bayfront Expressway	\$900,000	2012-13	Public Works Transportation	Active	No	Oct-13

FootNotes

*	Includes Funding from multiple fiscal years
TBD	To Be Determined - Project schedule depends on the outcome of current tasks
	Projects previously funded through the Redevelopment Agency that have shifted to other funding sources.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## City Facilities Telephone System Upgrade and Related Voice over Internet Protocol (VoIP)

Description: This project will replace the legacy based Nortel Meridian Option 11 phone system with a new IP based phone system. The existing legacy system is very old and as of June 5, 2009 no longer supported by Avaya. Repairs are currently made with parts on the secondary market which result in a less and less reliable system as time goes on.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
RFP Issued																			
Request of more info deadline																			
Deadline to Submit proposals																			
Evaluation of proposals																			
Award of Contact																			
Installation																			

Project Budget: \$295,000

Prepared by: Danny Daniels

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Council Chambers Audio/Video Equipment

Description: This upgrade will improve the City Council Chamber audio and video equipment and it will incorporate specific concepts and hardware items for audio and visual presentation systems along with improved seating for Council members. The project will replace the video switcher, cameras, video screen and Council chairs in the Council Chambers. The Panasonic video switcher, the pan, and tilt camera have reached their end of life and are no longer available or supported. The current technology is considered obsolete.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Meet with Media Center on needs assessment																			
Review technologies and meet with industry																			
Schedule work flow																			

Project Budget: \$75,000

Prepared by: Danny Daniels

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Housing Element Update

Description: The City is in the process of updating the Housing Element of the General Plan for State-mandated Planning Periods #3 (1999-2006) and #4 (2007-2014). The Housing Element provides goals, policies, and implementation programs for the planning and development of housing throughout the city. The update includes a technical update to other elements of the General Plan to assure consistency between the elements and an environmental assessment.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Steering Committee Meetings	■	■	■	■			■												
Community Workshops		■																	
Review of Preliminary Draft Housing Element by Commissions/Council				■															
60-day HCD Review/Possible Revisions Based on HCD Review					■	■	■	■											
Review of Draft Technical Updates to Other Elements					■	■	■												
Review of Environmental Assessment						■	■	■	■										
Review of Final Housing Element and Updates to Other Elements							■	■	■	■									

Project Budget: \$1,150,000

Prepared by: A. Heineck

Schedule Update Footnotes:

- (1) Council approved the work program/budget and established the Steering Committee on May 22, 2012.
- (2) In accordance with the Settlement Agreement, the project is expected to be completed in March, 2013 to be immediately followed by a Housing Element Update for Planning Period 2015-2022.



**Project Status Report**

Updated: October 30, 2012

FY Approved: FY 2008-09

## Sustainable Building Program

Description: Initially implement a program for the submittal of sustainable building checklists related to development projects followed by adoption of the State Green Building Code and consideration of adoption of local amendments to enhance State Green Building Codes.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Implementation of State Green Building Code (ongoing)																			
Council Information Item on two-phased approach to the adoption of local amendments to State Code																			
Council meetings to consider adoption of Phase 1 local amendments for Energy Efficiency(Approved 2011, Effective Jan 2012)																			
Phase II Task Force Development (EQC, Developers, and other Stakeholders) (1)																			
Develop three (3) policy options																			
Prepare Cost Benefit Analysis																			
Community Engagement																			

Project Budget: \$10,000 in FY 2008-09; \$30,000 in FY 2012-13

Prepared by: Rebecca Fotu

Schedule Update Footnotes:

(1) Phase II includes development of a stakeholder task force and developing a cost benefit analysis of further sustainable/green building standards, consistent with CAP's approved 5-year strategy.



**Project Status Report**  
 Updated: October 30, 2012  
 FY Approved: 2011-12

## Burgess Pool Pump Ladder

Description: Provide a permanent secondary entrance into the Burgess Pool pump area to comply with OSHA confined space regulations

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Research stairs options	■	■	■	■															
Request three bids for stairs vendor					■	■													
Prepare drawing for building permit							■	■	■										
Installation									■										

Project Budget: \$28,000

Prepared by: Katrina Whiteaker

Schedule Update Footnotes:





**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Automated Library Materials Handling Return System

Description: T The automated materials return (self check-in) and automated materials handling system will improve the check-in process and get materials back on the shelves more quickly. System will be installed at Main Library only.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Select system and approve design	■	■	■																
Install and test system								■	■	■	■	■							
Project Wrap-up												■							

Project Budget: \$ 120,000

Prepared by: S. Holmer

Schedule Update Footnotes:

System will be purchased through Peninsula Library System which will manage the project for six libraries. Menlo Park is scheduled to be the second installation following Redwood Shores Library.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Library RFID Conversion Project

Description: Convert all library materials from current barcode system to more reliable RFID format. Install new patron self checkout stations, concurrent with previously approved circulation area remodel.

Project Activities	2011						2012												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Develop construction plans, specifications, and estimate																			
Conversion from barcode to RFID tags of 170,000 items																			
Construction																			
Project wrap-up and acceptance																			
Tagging at Belle Haven Branch Library																			

Project Budget: \$29,000 for FY 2012-13

Prepared by: S. Holmer

Project has been completed in the Main Library. Some tagging continues at the Belle Haven Branch and will be completed by end of 2012.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Radio Infrastructure Replacement

Description: This project will replace outdated radio equipment so that Dispatch can communicate with police officers in the field, leading to an enhanced level of officer safety and an increase in service to the community.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Overview of plans with TEA		■																	
Agreement negotiations with Menlo Park Fire			■	■															
Preparation of bids					■	■													
Review of bids							■	■											
Purchase of equipment									■	■									
Installation of equipment											■	■							

Project Budget: \$130,000

Prepared by: Susie Eldred

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Atherton Channel Flood Abatement

Description: This project will improve Atherton Channel's systemic flooding to local businesses along Haven Avenue.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Redwood City working with Don Edwards Conservancy to include storm detention ponds in EIS/EIR																			
Redwood City Approves Agreement with Don Edwards Conservancy																			
Redwood City approves Agreement with Menlo Park																			

Project Budget: FY 2010-11 \$200,000 (study)  
 FY 2011-12 \$300,000 (design)

Prepared by: Pam Lowe

Schedule Update Footnotes:

1. Redwood City is the lead on the project and staff is coordinating. Project schedule is subject to Redwood City's schedule.



**Project Status Report**

Updated: October 30, 2012

FY Approved: Added

**San Francisquito Creek JPA Bay Levee Project FY 2012-13**

Description: The SFCJPA applied for two grants in December of 2011 to the California Department of Water Resources to investigate and design a new levee system to provide tidal flood protection, ecosystem restoration and recreation improvements along the bay front within the corporate boundaries of East Palo Alto and Menlo Park. The first phase for this project will include environmental CEQA analysis, and design, and secure funding for the construction phase.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Pre-Planning																			
Design RFP/RFQ																			
Design Contract Agreement																			
PE/CEQA/R-W/ Community Out Reach																			
Plans-Specification & Estimate																			
Bid Contract Advertise & Award																			
Notice to Proceed																			
Construction																			
Council Acceptance																			

Project Budget: \$300,000

Prepared by: Fernando G. Bravo

Schedule Update Footnotes:

This is a new project added to the CIP, it was previously an unfunded project. The environmental CEQA analysis and design is anticipated to take two to three years to complete. Staff will continue to bring progress reports to council throughout the project.



**Project Status Report**

Updated: October 30, 2012

FY Approved: Added

**Beechwood School/Property Subdivision and Sale**

Description: This project involves the surveying, appraisal, and subdivision of City-owned property located at 50 Terminal Avenue for potential sale to the current tenant, Beechwood School.

Project Activities	2012						2013											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Property subdivision preparation	█	█	█	█	█	█	█	█	█									
Parcel Map Recordation							█	█	█									
Negotiation of Purchase Agreement										█								

Project Budget: \$45,000

Prepared by: Nathan Scribner

July 31, Council Approved the Tentative Parcel Map

September 18, Council Granted New Easement to West Bay Sanitary District

Schedule Update Footnotes:

- (1) Project was put on-hold following the termination of the Habitat for Humanity housing project.
- (2) Subdivision was delayed to allow time to consolidate an existing oversized sanitary sewer easement for West Bay Sanitary District and to coincide with general plan map amendment and rezoning of property. The subdivision is anticipated to be complete in November 2012.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Chrysler Pump Station Improvements

Description: Improvements will include design and construction of upgrades to the aging equipment (may consist of pumps, motors, electrical system, heaters, fans, flap gates, generator).

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Issue RFP and select consultant																			
Design Consultant - Council Approval																			
Recommend Improvements																			
Final Construction Plans																			
Bid Process - Contract & Council Approval																			
Construction																			
Project wrap-up and acceptance																			

Project Budget: FY 2012-13 \$80,000 (design)  
 FY 2013-14 \$320,000 (anticipated for construction)

Prepared by: Pam Lowe

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Emergency Water Supply Project (Corp Yard Well Construction and Further Study of Other Well Locations)

**Description:** The project consists of constructing approximately two or three wells that will provide emergency water supply reliability to the eastern service area of the Menlo Park Municipal Water District in the event of earthquake or other emergency. The water would meet state and federal drinking water standards and provide at least 3,000 gpm (gallons per minute).

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Negotiation/Acquisition of Non-City Owned Property (if necessary)																			
Corp Yard Well Design & Construction - Council Approval																			
Corp Yard CEQA Review																			
Corp Yard Well Drilling Bid Process & CEQA - C&C Approval Phase I																			
Drill Well (Corp Yard)																			
Corp Yard Wellhead Facilities Final Design Phase II																			
Advertise Wellhead Facilities Bid - Contract Award																			
Construct Corp Yard Wellhead Facilities (1)																			
Outreach (Corp Yard & Possible Other Well Locations)																			

Project Budget: \$ FY 2004-05 \$1,666,481  
 FY 2011-12 \$2,500,000  
 FY 2012-13 \$2,000,000

Prepared by: Pam Lowe

Schedule Update Footnotes:

(1) Construction completion in January 2014. Well Permit Approval in February 2014.





**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Energy Audit of City's Administration Building

Description: The city's administration building has the highest energy consumption of all the city buildings, using over 1 million kWh and 15,000 therms per year, costing \$153,000 annually. This project will conduct an energy audit of the administration building to identify ways of reducing the building's energy loads in a cost effective manner. The energy audit will provide guidance on which upgrades to undertake first, and how to use the savings to make further energy upgrades in the future. The cost of this project does not include building retrofits that will be identified as part of this project.

Project Activities	2012						2013																
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec					
Energy Audit *																							
Energy Upgrades																							

Project Budget: \$40,000

Prepared by: Rebecca Fotu

Schedule Update Footnotes:

Energy Audit is currently being done for no cost through the County's Energy Watch Program. Funds will be used to implement some of the upgrades.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

**LED Streetlights Retrofit (2012-13)**

Description: Retrofit existing cobrahead streetlights with light-emitting diode (LED) fixtures by participating in PG&E's LED streetlight Turnkey Replacement Program where they purchase/install the LED fixtures, adjust the City's electric bill, and provide LED streetlight rebates. Funding of \$49,629 is available through a California Energy Commission's Energy Efficiency and Conservation Block Grant Phase 2 Program (EECBG2). The LED retrofits must be installed by March 13, 2013 per the grant requirements.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Execute PG&E Agreement					■														
Purchase LED Fixtures						■	■	■											
Install LED Fixtures							■	■	■										
Complete Final Report									■										
Receive Grant Reimbursement										■									

Project Budget: \$49,629

Prepared by: Pam Lowe

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2008-09

## Middlefield Road Storm Drain Study

Description: This project involves the preliminary design of a storm drainage system to address flooding on Middlefield Road from San Francisquito Creek to Ravenswood Avenue

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Establish scope of work and issue RFP to on-call consultants																			
Select consultant; execute contract	■	■																	
Study period <sup>1</sup>			■	■	■	■	■	■	■										
Present findings and recommendations to City Council									■										

Project Budget: \$150,000

Prepared by: Michel Jeremias

Schedule Update Footnotes:

1. Survey work was completed in September however the study period will extend through the rainy season to better evaluate runoff and the outfall conditions.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2009-10/2010-11

## Sidewalks on Santa Cruz Avenue Design and Construction

Description: This projects will include the detailed design and construction of a conceptual plan for new sidewalk improvements approved by the City Council.

Project Activities	2013						2014													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Prepare Plans and Specifications (1)	█																			
Advertise, award, and execute contract						█	█													
Construction							█	█	█	█										
Project Acceptance											█	█								

Project Budget: FY 2009-10 \$100,000  
 FY 2010-11 \$500,000

Prepared by: Fernando Bravo

Schedule Update Footnotes:

(1) Project delayed due to additional time needed to complete the community survey and develop consensus among residents.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2008-09

## Sharon Heights Pump Station Design and Construction

Description: The scope of this project includes a complete detailed design for a replacement Sharon Heights Pump Station. The existing pump station is over 45 years old and requires frequent maintenance. New technology will be incorporated to improve the reliability of the Menlo Park Municipal Water system.

Project Activities	2012						2013													
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Preliminary Design (1) - comp. in 2011																				
Planning Review - comp. Jan. 2012																				
Final design and cost estimate																				
Advertise, Award and Execute Contract (1)																				
Project Construction (2)																				

Project Budget: \$275,000 Design

Project Budget: \$2,330,000 Construction

Prepared by: Virginia Parks

City Council to Award Construction Contract

Schedule Update Footnotes:

- (1) Design to be completed November 2012.
- (2) Construction expected to take 18 months.
- (3) Project may be delayed May - October due to high water demand.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Sidewalk Repair Program (2011-12)

Description: This ongoing project consists of removing hazardous sidewalk offsets and replacing sidewalk sections that have been damaged by City tree roots in order to eliminate trip hazards.

Project Activities	2012												2013					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Prepare Plans and Specifications (2)		■	■	■	■													
Advertise, award, and execute contract						■	■	■	■									
Construction									■	■	■							
Project Wrap-up and acceptance											■	■						

Project Budget: \$300,000

Prepared by: Ed Chevalier

Council to Award Contract

Schedule Update Footnotes:

1. Additional sidewalk repair sites were added to the project scope, therefore project may extend beyond the anticipated 40 days, weather delays are not included in this schedule.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Sidewalk Repair Program (2012-13)

Description: This ongoing project consists of removing hazardous sidewalk offsets and replacing sidewalk sections that have been damaged by City tree roots in order to eliminate trip hazards.

Project Activities	2012												2013					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Prepare Plans and Specifications																		
Advertise, award, and execute contract																		
Construction																		

Project Budget: \$300,000

Prepared by: Ruben Nino

Schedule Update Footnotes:

1. Project construction to extend during summer months



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Storm Drain Improvements/Cleaning (2012-13)

Description: This ongoing project will implement improvements that were identified in the Storm Drain Master Plan as high priority and will provide annual cleaning to the existing storm drains.

Project Activities	2012						2013											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cleaning Completed																		
Design and Construction (2)																		

Project Budget: \$160,000

Prepared by: Michel Jeremias/Ruben Nino

Schedule Update Footnotes:

1. Cleaning the storm drain facilities is an annual service provided by Maintenance Division and uses approximately \$60,000.
2. Storm Drain Improvement Project on hold pending sufficient budget.





### Project Status Report

Updated: October 30, 2012

FY Approved: 2011-12

## Street Resurfacing Project (2011-12)

**Description:** This ongoing project will include the detailed design and selection of streets to be resurfaced throughout the City during Fiscal Year 10/11. This project will utilize the City's Pavement Management System (PMS) to assess the condition of existing streets and assist in the selection process. The Construction Phase of the project will begin Fiscal Year 2011/12.

Project Activities	2011						2012												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Advertise, award, and execute contract																			
Construction																			
Project Wrap-up and acceptance																			

Project Budget: \$5,720,000

Prepared by: Rodolfo Ordoñez

Award of contract Council

Start date End of June

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

**Street Resurfacing Design (2012-13)**

Description: This ongoing project will include the detailed design and selection of streets to be resurfaced throughout the City during Fiscal Year 2013-14. This project will utilize the City's Pavement Management System (PMS) to assess the condition of existing streets and assist in the selection process. The construction phase of the project will begin Fiscal Year 2013/14.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Develop Estimate, Const. Plans and Specs																			

Project Budget: \$225,000

Prepared by: Rodolfo Ordoñez

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: Added 2012-13

## Street Resurfacing of Federal Aid Routes (2011-2012)

Description: This is part of the ongoing Street Resurfacing project that includes the detail design and resurfacing of portions of Sand Hill Road and Marsh Road with a Federal Grant.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Advertise, Award and Execute Contract																			
Construction																			
Project Acceptance and Wrap-Up																			

Project Budget: \$575,000

Prepared by: Michel Jeremias

Schedule Update Footnotes:

1. This schedule assumes contractor will be able to work this fall based on weather and PG&E pipeline replacement project will be completed along Sand Hill Road. If there are any delays due to weather and PG&E's pipeline replacement project, then this project may commence next spring.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2010-11

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## Trash Capture Device Installation

Description: This project will install multiple trash capture devices throughout the City that remove solid trash and debris from the City's storm water system. The installation of these devices will put the City in compliance with a portion of Municipal Regional Permit for Stormwater discharge.

Project Activities	2012												2013					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Execute contract with ABAG/SF Estuary (1)																		
Identify locations																		
Vendor negotiations and order materials (2)																		
Installation (3)																		

Project Budget: \$23,094

Prepared by: Rebecca Fotu

Schedule Update Footnotes:

- (1) Completed. This project is fully funded from a grant received from the San Francisco Estuary partnership.
- (2) A new vendor was needed due to a debt payment owed by originally selected vendor
- (3) Installation may be delayed due to rainy season



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2008-09

## Utility Undergrounding Study of City Parking Plazas

Description: The scope of this project will include evaluating the costs of placing the existing utility system underground in downtown parking plazas and adjacent side streets.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Coordination with PG&E and Other Utilities(1)	█																		
Community Outreach										█							█		
Preliminary Design and Conceptual Cost estimate (2)											█	█	█	█	█	█	█		
Resolution of Intent and Establish District Boundary																	█	█	

Project Budget: \$100,000

Prepared by: Roger Storz

Schedule Update Footnotes:

(1) Staff has continued conversations with PG&E to determine whether Rule 20-A undergrounding funds can be used outside through the Parking Plazas. A consultant will be selected to evaluate each parking plaza’s utility poles and prepare cost estimates for future undergrounding work. Conceptual cost estimate will be completed as Phase I. Phase II will begin after Phase I information and verification from PG&E. Pending outcome with PG&E. PG&E has indicated that implementation of Rule 20-A projects is a 3-5 year process, due to their backlog and staffing.

(2) Project delayed due to other project priorities and reduced staffing.



**Project Status Report**

Updated: October 30, 2012

FY Approved: Added

## Water System Master Plan

Description: This project involves updating City Water Master Plan to be consistent with new City's Housing Element, Zoning and General Plan. The project will also update water maps, reviewing current construction practices and recommending changes to current City standards, and developing a long-term maintenance and improvement program.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Establish scope of work and issue RFP (1)		■	■	■															
Select consultant					■	■	■	■											
CEQA/Master Plan Completion							■	■	■	■	■	■	■	■	■	■	■	■	■
Planning Commission Hearing																		■	■
Council Approval																			■

Project Budget: \$300,000

Prepared by: Nathan Scribner

Schedule Update Footnotes:

(1) This project will be funded from the annual water main replacement program in order to evaluate the existing system and establish project priorities to be incorporated into the CIP. This project will be funded by the FY2011-12 Water Main Replacement Project.



**Project Status Report**

Updated: October 30, 2012

FY Approved: Added

**Water Main Replacement Project (2012-13)**

Description: This recurring project involves replacements and improvements to the Menlo Park Municipal Water District's distribution system. The locations of work are determined through maintenance records and as needed to support other major capital projects such as the emergency water supply project.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
System Evaluation and Site Selection																			
Prepare Plans, Specifications and Estimate																			
Construction																			

Project Budget: \$2,000,000

Prepared by: Nathan Scribner

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Administration Building Emergency Generator

Description: This project will replace the existing emergency generator at the administration building that provides emergency power to the building when power from PG&E is temporarily lost. The existing generator is over 25 years old and supports the operation of the police dispatch 911 system and other essential City services during an emergency.

Project Activities	2012												2013					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Develop construction plans, specifications, and estimate																		
Advertise, award, and execute contract																		
Construction																		
Project wrap-up and acceptance																		

Project Budget: FY 11-12 \$ 50,000

FY 12-13 \$200,000

Prepared by: Ruben Niño

Schedule Update Footnotes:





**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Belle Haven Child Development Center Outdoor Play Space Remodel

Description: The BHCDC used to have a water feature in the back that became high maintenance and was removed and replaced with sand. Over the years, a small play structure has been added in the sand pit. The playground needs to be evaluated for fall zones and compliance with the Americans with Disabilities Act (ADA), and a new play area constructed as needed.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Design																			
Construction																			

Project Budget: \$75,000

Prepared by: Ruben Niño

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Belle Haven Pool Boiler/Pumps Upgrades

Description: The project will include the replacement of the boiler and pump for the Belle Haven pool. The boiler and pump were installed in the mid 1970's and therefore, it is necessary to replace aging equipment. Higher efficiency units will be installed to reduce energy consumption and improve pool circulation.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Develop specifications and estimate																			
Advertise, award, and execute contract																			
Construction																			
Project wrap-up and acceptance																			

Project Budget: \$63,770

Prepared by: Ruben Niño

Schedule Update Footnotes:

Delayed due to pool use during summer.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## City Buildings (Minor) FY 12-13

Description: This ongoing project was established in Fiscal Year 2004-05. Projects programmed on an annual basis include minor improvements that extend the useful life of systems and equipment in City Buildings. FY 2012-13 funding provides for replacing the corporation yard floor in the men's bathroom, and locker room, replacing the bathroom partition, and painting the lockers. The project will also begin the design for the replacement of the Corporation Yard roof, and other miscellaneous building improvements throughout the City.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Corporation Yard roof																			
Corporation Yard bathroom remodel																			

Project Budget: \$275,000

Prepared by: Ruben Niño

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Council Chambers Mics/Voting Equipment

Description: The existing City Council Chambers microphones are customized to include the voting panel. The system is over 15 years old and the microphones can no longer be repaired. Staff is recommending replacing the microphones and voting panel system with a non custom system available on the market.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Meet with Media Center on needs assessment																			
Review technologies and meet with industry																			
Schedule work flow																			

Project Budget: \$60,000

Prepared by: Ruben Niño

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2010-11

**Downtown Irrigation Replacement**

Description: This project consists of replacing and upgrading the irrigation system and improving landscaping in the Downtown area to eliminate problem areas and extend the life and efficiency of the system.

Project Activities	2012												2013					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Develop construction plans, specifications, and estimate	█																	
Advertise, award, and execute contract (1)								█	█	█	█	█	█					
Construction																█	█	
Project wrap-up and acceptance																		█

Project Budget: FY 2010-11 \$ 30,000, \$25,000

FY 2011-12 \$120,000

FY 2012-13 \$170,000

Prepared by: Ruben Niño

Schedule Update Footnotes:

(1) Rejected bids and delayed project advertising to February 2013.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## El Camino Real Tree Planting

Description: This project will involve planting new trees along El Camino Real in both median and sidewalk areas in coordination with the El Camino Real/Downtown Specific Plan implementation.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Design/Permit																			
Bid																			
Construction																			

Project Budget: \$200,000

Prepared by: Ruben Niño

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2010-11

C36

## Hillview School Fields Renovation

Description: This project provides funding for the synthetic turf athletic field renovation and Tinker Park replacement that will occur with the Hillview School reconstruction project.

Project Activities	2011						2012												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Agreement negotiations with Menlo Park School District (1)																			

Project Budget: \$500,000

Prepared by: Ruben Niño

Schedule Update Footnotes:

(1) City Council approved agreement and school field is currently under construction.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Park Improvements (Minor) FY 12-13

Description: The project addresses minor improvements to parks, such as repairing fences, irrigation systems, play equipment, resodding portions of fields and adding sand and fibar to play equipment.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Repair benches																			
New controller																			
Install fibar																			

Project Budget: \$120,000

Prepared by: Ruben Niño

Schedule Update Footnotes:





**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Police Parking Lot Security

Description: The project will improve the east and south police parking area by installing new fencing and gates that will eliminate the ability of pedestrians/public to access the secured area. Additionally, the parking area will be reconfigured to provide space for additional police vehicles.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Design																			
Construction																			

Project Budget: \$40,000

Prepared by: Ruben Niño

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2008-09

C39

## Reservoirs #1 & #2 Mixers

Description: This project funds the purchase and installation of solar-powered mixers for Reservoir #1 and Reservoir #2 to improve water quality.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Prepare plans, specifications and estimate	█	█	█	█	█	█	█												
Advertise and Council award of contract (1)								█	█	█	█								
Execute contract											█								
Installation											█	█	█	█	█				
Project acceptance															█				

Project Budget: \$200,000

Prepared by: Ruben Niño

City Council to Award Contract

Schedule Update Footnotes:

(1) Project delayed due to other project priorities, project advertisement will start April 2013.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2009-10

C40

## Reservoir Re-roofing

Description: The roof on Reservoir 2 is deteriorating and is at the end of its life expectancy. This project will replace the old roof.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Advertise, award and execute contract (1)																			
Construction																			
Project wrap up and acceptance																			

Projected Budget \$350,000

Prepared by: Ruben Niño

City Council awards contract

Schedule Update Footnotes:

(1) Project delayed due to other project priorities.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Water Conservation Upgrades for City Facilities

Description: This project will evaluate, prioritize, and install water efficient fixtures (e.g. low flow toilets, sensor activated faucets, etc.) in City owned buildings. It will result in cost savings in utility bills.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Install new fixtures																			

Project Budget: \$35,000

Prepared by: Ruben Niño

Schedule Update Footnotes:

Delayed due to other project priorities.



**Project Status Report**

Updated: October 30, 2012

FY Approved: Added

## Alpine Road Bike Improvement Project

Description: This project will reconstruct approx. 300 ft. of Alpine Road near the County limits, install drainage improvements, curb and gutter, and widen the bike lanes to 6 feet in both directions.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Design Plans, Specifications and Estimate	■	■	■																
Advertise Bid, and Award (1)				■															
Construction Phase				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Acceptance											■								

Project Budget: \$201,660

Prepared by: Rich Angulo

Council to Award Contract

Schedule Update Footnotes:

Bid Opening October 9, 2012.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

C43

## Complete Streets Ordinance

Description: In order to meet regional transportation funding guidelines, local agencies in the Bay Area are required to adopt a complete streets ordinance. The objective of this study is to first analyze the requirements of a complete streets ordinance. Depending on the requirements, the City would work to develop a policy that establishes guiding principles and practices so transportation improvements are planned, designed, constructed, operated, and maintained to encourage walking, bicycling, and transit use while promoting safe operation for all users. Public outreach to the businesses, residents, school districts, and other stakeholders would be part of the process in developing the ordinance.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Present resolution to commission and council																			

Projected Budget \$100,000

Prepared by: Rene Baile

Schedule Update Footnotes:

Adopting a resolution is a requirement to get Federal and State funding



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2010-11

C44

## Linfield/Middlefield Crosswalk

Description: This is a project to relocate the existing marked crosswalk on Middlefield Road to the northerly leg and enhance this new crosswalk with red pigmented "tyre-grip" material and a solar wireless in-pavement lighted crosswalk system, in conjunction with making the crossing on Middlefield Road at Linfield Drive safer for pedestrians and bicyclists.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Design and cost estimate																			
Advertise Bid and Award (1)																			
Construction																			
City Council acceptance of project																			

Projected Budget \$50,000

Prepared by: Rene Baile

Schedule Update Footnotes:

(1) Project delayed to accommodate other project priorities.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2009-10

C45

## Middle Avenue Bike Lane Feasibility Study

Description: This study would investigate bike lanes on Middle Avenue from El Camino Real to University Drive. Middle Avenue is a fairly wide street that might support a change from the existing class III bike route to a class II bike lane. Lane widths and parking issues would have to be resolved to provide this cycling resource.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Develop Alternatives (1)	█																		
Prepare Conceptual Plans and Cost Estimates																			
Presentation to Commissions																			
Approval by City Council																			

Projected Budget \$25,000

Prepared by: Rich Angulo

Schedule Update Footnotes:

(1) Project delayed to accommodate other projects.





## Project Status Report

Updated: October 30, 2012

FY Approved: 2011-12

# Oak Grove/Merrill Intersection Lighted Crosswalk

Description: This project will install an in-pavement lighted crosswalk at the intersection of Oak Grove Avenue and Merrill Street to improve pedestrian safety at the intersection. This crosswalk location is one of the nine locations studied and screened by staff for in-pavement lighted crosswalk installation in 2005 and got ranked no. 4 using a prioritization formula. The top three locations had already been installed with in-pavement lighted crosswalks.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Develop construction plans, specifications, and estimate	█																		
Advertise, award, and execute contract							█	█											
Construction									█	█	█	█	█	█					
Project wrap-up and acceptance														█					

Project Budget: \$55,000

Prepared by: Rene Baile

Schedule Update Footnotes:

- (1) The City received E-76 for design of project on December 28, 2011.
- (2) Project delayed due to reduced staffing and other project priorities.
- (3) Grant deadline for completion is December 2013.



**Project Status Report**

Updated: October 30, 2012

FY Approved: Added

## Safe Routes to Hillview School Project Construction

Description: This project will install three lighted crosswalks on Santa Cruz Avenue near Hillview School, install school directional signs, and a new painted crosswalk to make it safer for the students to walk and bike to school as well to promote and encourage walking and biking among the students.

Project Activities	2011						2012														
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Design Plans, Specifications and Estimate	█						█														
Advertise Bid, and Award (1)																					
Construction Phase - expected completion Spring 2013																					

Project Budget: \$143,000

Prepared by: Rene Baile

Council to Award Contract

Schedule Update Footnotes:

(1) Bids opened on August 1, 2012. Went back to Council end of August to appropriate additional budget for construction since the bids were higher than the budget available.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Safe Routes to Oak Knoll School

Description This project will conduct further traffic studies to improve the pedestrian and bicycle routes to Oak Knoll School and encourage more school children to walk or bike to school

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Hire consultant (1)	■	■																	
Data Collection and Review			■	■	■														
Potential Improvement Alternatives					■														
Draft Safe Route Plan					■	■	■	■	■	■	■								
Final Report and Recommendation to City Council											■								

Project Budget: \$40,000

Prepared by: Rich Angulo

Community Meetings  
Commission Meetings

Schedule Update Footnotes:

(1) Project delayed to accommodate other projects.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2009-10

## Safe Routes to Valparaiso Avenue Plan

Description: This project will develop a safe route to school plan for schools on Valparaiso Avenue - Menlo School, Sacred Heart School and St. Joseph's School - including a feasibility study of installing lighted crosswalks on Valparaiso Avenue.

Project Activities	2011						2012												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Hire Consultant	█	█																	
Data collection and review			█	█	█														
Prepare Alternatives					█	█	█	█											
Draft Safe Route to School Plan								█	█	█	█	█	█	█	█	█	█	█	█
Final Report expected completion Spring 2013												█	█	█	█	█	█	█	█

Community meetings

Project Budget: \$80,000

Prepared by: Rene Baile

Schedule Update Footnotes:

- (1) Presented project for review and comments to Bicycle Commission on July 9, 2012 and to the Transportation Commission on June 13, 2012 and August 15, 2012.
- (2) Presented project for review and comments to Atherton Transportation Commission on September 11, 2012.
- (3) Presented Final Report to Transportation Commission on October 10, 2012 for Final Review and recommendation to Council. Phase I was recommended to forward to City Council during Spring 2013.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2010-11

## Sand Hill Road/Branner Signal Mast Arm Construction

Description: This project consists of a signal mast arm extension at the intersection of Sand Hill Road and Branner. The improvement will increase the safety of the intersection by extending the sight distance for motorists.

Project Activities	2012												2013					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Design and Cost estimate	█																	
Advertise, award and execute contract				█	█	█	█	█	█	█	█	█	█	█	█	█		
Construction																█	█	█
Project wrap up and acceptance																	█	█

Project Budget: \$75,000

Prepared by: Rene Baile

Schedule Update Footnotes:

- Project delayed to accommodate PG&E gas pipe work on Sand Hill at Branner and other projects



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2008-09

C51

## Santa Cruz Avenue Sidewalk Preliminary Design Phase

Description: The first part of this project was a study to identify areas where sidewalks should be installed for pedestrian safety.

Project Activities	2012												2013					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Survey Outreach																		
Formulate Consensus and present to Transportation Commission																		
Council Approval of recommended alternative layout																		

Phase I Project Budget: \$110,000

Prepared by: Rich Angulo

Schedule Update Footnotes:

Project delayed to accommodate other project priorities and reduced staffing.



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

## Sidewalk Master Plan Implementation 12-13

Description This project will involve constructing new sidewalks in area with priority needs as identified in the Sidewalk Master Plan. Resident surveys will be conducted at high priority locations to assess the level of support prior to selecting specific sites.

Project Activities	2013												2014					
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Site Selection & Public Outreach (1)																		
Develop construction plans, specifications, end estimate																		
Advertise, award, and execute contract																		
Construction																		
Project wrap-up and acceptance																		

Project Budget: \$100,000

Prepared by: Rene Baile

Schedule Update Footnotes:



**Project Status Report**

Updated: October 30, 2012

FY Approved: 2011-12

## Willow Road Signal Interconnect

Description This project will install either wireless or wired interconnect along the traffic signals on Willow Road between Middlefield and Durham Road/Entrance to VA Hospital to establish communication and signal coordination for more efficient traffic flow.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Coordinate with C/CAG & Caltrans on smart corridor project implementation																			
Design of signal modifications																			
Construction																			

Project Budget: \$300,000

Prepared by: Rene Baile

Schedule Update Footnotes:

Smart Corridor Project designing interconnect system & furnishing and installing central signal system for City along same limits. City is coordinating with Caltrans and C/CAG for these efforts. Construction start Date dependent on schedule of CCAG Smart Corridor Project .





**Project Status Report**

Updated: October 30, 2012

FY Approved: 2012-13

**Willow Road Improvements at Newbridge and Bayfront Expressway**

Description Project will install a third right turn lane NB on Willow at Bayfront Expressway and additional right turn pocket storage in the SB direction. At Newbridge/Willow, the project will add additional SB thru lane and additional improvements to the NB direction.

Project Activities	2012						2013												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Develop construction plans, specifications and estimate				■	■	■	■	■	■	■									
Advertise, award, and execute construction contract										■	■								
Construction												■	■	■	■				
Project Wrap-up and Acceptance																■			

Project Budget: \$900,000

Prepared by: Rene Baile

Schedule Update Footnotes:

(1) Facebook designing PS&E. City to discuss with C/CAG on funding for construction phase.

Public Works Department  
Project Composite

Project Name	2012												2013											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Engineering</b>																								
Emergency Water Supply																								
Beechwood School/Property Subdivision and Sale																								
Storm Drain Fee Study																								
Sharon Heights Pump Station Design and Construction																								
Middlefield Road Storm Drain																								
Utility Undergrounding Study of City Parking Plazas																								
Santa Cruz Sidewalks Design and Construction																								
Trash Capture Device Installation																								
Atherton Channel Flood Abatement																								
Highway 84 Carbon Offset Project																								
Bedwell Bayfront Park Gas Collection System improvements study and Conceptual Design																								
Sidewalk Repair Program 2011-12																								
Street Resurfacing 2011-12																								
Energy Audit of City Administration Building																								
Water Main Replacement Project 2012-13																								
Water System Master Plan																								
Sustainable/Green Building Standards																								
Street Resurfacing of Federal Aid Routes 2011-12																								
Street Resurfacing Design 2012-13																								
Bay Levee Design Project																								
Storm Drain Improvements 2012-13																								
Chrysler Pump Station Improvements																								
LED Streetlight Retrofits 2012-13																								
Sidewalk Repair Program 2012-13																								

Legend

- FY 2012/13
- FY 2011/12
- FY 2010/11
- FY 2009/10
- FY 2008/09
- FY 2007/08
- FY 2006/07

**Public Works Department  
Project Composite**

Project Name	2012												2013																															
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec																				
<b>Transportation</b>																																												
Study of Sand Hill Road (btw Addison-Wesley and I-280 including Bicycling)																									<i>On-Hold</i>																			
Safe Routes to Hillview School Project Implementation																																												
Santa Cruz Avenue Sidewalk Preliminary Design Phase																																												
Bike Lane Mitigation Study																																												
Middle Ave Bike Lane Feasibility Study																																												
Safe Route to Valparaiso Avenue Plan																																												
High Speed Rail Coordination																																												
Linfield/Middlefield Crosswalk																																												
Sand Hill Road/Branner Signal Mast Arm Construction																																												
Willow Road Signal Interconnect																																												
Oak Grove/Merrill Intersection Lighted Crosswalk																																												
Safe Routes to Oak Knoll School Design																																												
Alpine Road Bike Improvement Project																																												
Complete Street Ordinance Study																																												
Willow Road Improvements at Newbridge and Bayfront Expressway																																												
Sidewalk Master Plan Implementation																																												
<b>Maintenance</b>																																												
Reservoirs #1 and #2 Mixers																																												
Reservoir Re-roofing																																												
Hillview School Fields Renovation																																												
Belle Haven Pool Boiler/Pumps Upgrades																																												
Downtown Irrigation Replacement																																												
Administration Building Emergency Generator																																												
Water Conservations Upgrade for City Facilities																																												
El Camino Tree Planting																																												
Belle Haven Child Development Center Outdoor Play Space Remodel																																												
Park Improvements 2012-13																																												
City Buildings (Minor) 2012-13																																												
Police Parking Lot Security																																												
Council Chambers Mics/Voting Equipment																																												

- Legend
- FY 2012/13
  - FY 2011/12
  - FY 2010/11
  - FY 2009/10
  - FY 2008/09
  - FY 2007/08
  - FY 2006/07

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# ADMINISTRATIVE SERVICES

Council Meeting Date: November 13, 2012  
Staff Report #: 12-168

Agenda Item # I-2

**INFORMATION ITEM: Quarterly Financial Review of General Fund Operations  
as of September 30, 2012**

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

## BACKGROUND

In order to enhance public understanding and transparency in the City's fiscal communications, the City's Finance Committee has in recent years worked with staff to develop a periodic update to the Council of General Fund activity. The report format provides a quarterly review of General Fund operations of the fiscal year-to-date, allowing a comparison of the fund's revenues and expenditures with both the budget and actual data of the prior year-to-date operations.

## ANALYSIS

### Overview

The report developed to apprise Council of the year-to-date status of the General Fund is shown as Attachment A. Revenues are categorized in the familiar budgetary format, except that revenues from "Use of Money & Property" have been broken down into the two components of "Interest Earnings" and "Rental Income". Expenditures are shown by department.

The first two columns show both adjusted budget and the un-audited actual amounts of General Fund revenues and expenditures for the fiscal year ended June 30, 2012. Once the City's 2011-12 Comprehensive Annual Financial report has been finalized, this latter column will simply be labeled "Prior Year Actual". The format then provides comparisons with the prior fiscal year: three columns of budgetary comparison, three columns of year-to-date comparison, and three columns of comparison to an entire year's activity. These various perspectives are helpful because of the irregular cashflows associated with the City's revenues. Note that in the first quarter of the fiscal year, expenditures tend to outpace revenues due to the varying cashflows of the City's major revenue sources.

It is important to note also that the Budget-to-Actual comparisons shown compare actual transactions of the first quarter of each year as compared to the *adjusted* budget as it stood on September 30<sup>th</sup> of each year. The one major budget revision typically recorded in the first quarter of each year is the carry-over of (expenditure) commitments funded in the prior year's budget (encumbrances). For fiscal year 2011-12, General Fund encumbrances from the prior year amounted to an additional \$419,900 for the

expenditure budget, and in the current fiscal year, \$272,551 in commitments has been carried forward.

To the extent that General Fund operations do not vary greatly from year to year, this Budget-to-Actual *comparative* report provides a relatively simple update on the performance of revenues and the level of expenditures for the fiscal year-to-date.

### **Revenues**

In total, the *percentage of budgeted* revenues actually received as of September 30<sup>th</sup> was slightly lower than in the prior year (10.71 percent as opposed to 11.42 percent). However, the fluctuation between the two years (“% Actual-to-Budget” columns) varies by category of revenue, depending on whether the adopted budgets were adjusted measurably at mid-year, processing changes, and/or other anticipated changes to the revenue stream that are explained in this report. It is clear from this analysis that several major General Fund revenue sources are almost totally absent from this analysis, as there are no significant receipts in these categories until later in the fiscal year: Property Taxes are received largely in the second and fourth quarters; Franchise Fees are paid mostly in the fourth quarter, and Transient Occupancy Taxes (TOT) are not due until the month *subsequent* to the quarter in which they are assessed. However, we can make some observations regarding these revenues:

**Property Taxes** – The County annually (October) develops an estimate of property tax revenue based on anticipated payment of the tax levies for the fiscal year. Menlo Park’s estimated secured property tax revenue per the County will be approximately 5.3 percent higher than in 2011-12. A 5.1 percent growth rate for secured property taxes was predicted in the 2012-13 budget, however, other components of the City’s property tax were also projected to increase at varying rates. Once the first property tax receipts are known (by mid-year), a more precise estimate can be made of this major revenue source for the City. Note that tax levies are subject to adjustment for increases, decreases and refunds processed throughout the fiscal year.

The small amount of receipts shown as Property Taxes in this first quarterly analysis is a comparison only of property transfer taxes received for transactions recorded in July and August. The decrease was due to a slightly lower volume of sales transactions compared to the same two months last year, which included a significant property transfer for which the tax revenue received by the City was \$11,000.

It should also be noted that last year the City received \$211,000 from the County in its distribution of “residual balance” of tax increment from the former RDA, and reported this amount as additional secured property tax revenue. Although increased valuations in the former redevelopment area are anticipated in 2012-13, demands on the Redevelopment Retirement Fund of the former agency will be higher, resulting in a slightly lower “residual balance” for distribution to local taxing agencies in the current fiscal year. There are two distributions of residual tax increment each fiscal year; the first will be January 16, 2013. An analysis of these additional amounts to the City’s secured property tax receipts will be included in the mid-year report. Also, more will be known

regarding the one-time distributions in this fiscal year of the former agency's liquid assets as of January 31, 2012.

**Sales Taxes** - The City's sales tax revenues dropped slightly (less than one percent) in fiscal year 2011-12 from the prior fiscal year, creating a 3.6 percent negative budget variance. As the 2012-13 budget was established before the year-end results were known (data on taxable transactions is available approximately 4 months after the tax is actually collected), this revenue source may need to be adjusted downward based on the prior year experience. The State has started to reduce their estimated payments to the City, as reflected in the 10.3 percent reduction in sales tax receipts for July and August 2012 when compared with the same period in 2011. Note that staff does NOT project a further decrease in sales tax revenues for the City in this fiscal year. However, in order to achieve the \$6.3 million currently budgeted for these revenues in 2012-13, taxable sales transactions would have to increase 6.6 percent over the prior fiscal year.

According to our most reliable data (the quarter ended June 30<sup>th</sup>), taxable sales from restaurants and service stations are growing moderately; the electronic equipment and light industrial segments remain at a two-year low.

**Hotel Taxes (TOT)** – Although no hotel taxes have yet been received for the 2012-13 fiscal year (TOT returns for the third quarter of calendar year are due to the City at the end of October), TOT revenues of the prior year were accurately budgeted, coming in less than one percent above the adjusted forecast. Early indicators from some of the hotel/motels in the City reflect that these revenues will also meet budgetary expectations for the quarter ended September 30<sup>th</sup>. The 2012-13 budget assumes an increase in the TOT rate from 10 to 12 percent as proposed by Ballot Measure K, which was approved by voters last week. The increased rate goes into effect on January 1, 2013, and should provide an additional \$280,000 in TOT revenues for the remaining half of this fiscal year.

**Utility Users Tax (UUT)** – It is difficult to project the impact of any economic recovery on revenues from the UUT, especially since receipts in the prior fiscal year fell 4.9 percent short of the budget that had been reduced at midyear. Presumably, the large refund (\$91,000 for UUT erroneously collected on internet access services by a service provider) processed in the 2011-12 fiscal year will allow UUT receipts to be more accurate, and this revenue source should stabilize in the near future.

**Franchise Fees** – The analysis of franchise fees is somewhat similar to the analysis of the City's Utility Users Tax (UUT), in that both revenues should somewhat parallel the cost of utilities provided in Menlo Park. However, the UUT fell significantly lower (4.9 percent) than the adjusted budget for 2011-12, whereas franchise fees were only 0.5 percent shy of the budget. Although utility consumption by businesses may be expected to increase as the economy improves, such factors as conservation efforts and weather can significantly impact this revenue source. Roughly 40 percent of the City's franchise fee revenue (from gas and electric utilities) is received in April, and based on the delivery of utilities services in the previous calendar year. At this point in the fiscal year, the only franchise fees received are from solid waste collection (for which UUT is *not* collected)

for the months of July and August. The 6.13 percent increase roughly corresponds with an increase in the rates for this utility service.

**Charges for Services** – This category of revenues has seen a 39 percent increase for the General Fund when compared with the quarter ended September 30, 2011. Recreation fees (both resident and non-resident) combined are up \$340,000, as the Community Services Department continues to expand its programs to optimize the use of the City's new facilities, including the Arrillaga Family Gymnastics Center. These recreational programs are largely cost recovery. In addition, the rental of community facilities has increased sharply; revenues from this source for the first quarter of the 2012-13 fiscal year (\$84,900) are double the amount received in the entire fiscal year ended June 30, 2012.

In addition, this category of revenues has increased over the prior year's quarter in the area of development services. Planning fees, subdivision inspection fees, and fees for improvement plan checks have each increased approximately \$50,000 over the first quarter of the 2011-12 fiscal year.

Although an increase of revenues from charges for services was anticipated for recreational programs, development revenues were expected to lessen as Facebook and other large applications were completed. Planning fee revenues were expected to drop as planning staff focused on comprehensive planning projects (the cost for which the City is not compensated by an applicant) such as the Housing Element and General Plan. However, with the volume of development applications currently on the rise, this issue will need to be reviewed at mid-year, when both the costs and the associated revenue from proposed development projects may need to be increased to more accurately reflect these General Fund activities.

**Licenses and Permits** – In general, most revenues in the licenses and permit category were expected to remain flat (if not decline slightly) when compared to the prior year. The increased budget is the result of inclusion of the Facebook development's annual revenues (\$800,000 for the current fiscal year) in this category; receipt is scheduled at fiscal mid-year.

The largest drop in Licenses and Permits when compared to the 2011-12 fiscal year is a decline in revenues from business licenses. Last year's efforts to increase compliance with the City's business license ordinance by comparing address information to the State Franchise Board's listing of businesses located in Menlo Park (the "AB 63" program) was very successful, yielding approximately 400 new licenses for tax years 2009, 2010 and 2011, and resulting in over \$100,000 in added revenue in 2011-12. Business license receipts for the quarter ended September 30<sup>th</sup> are \$60,000 lower than the same quarter last year. But this revenue should recover somewhat with the business license renewal process that occurs in December- January, as the revenue base has been bolstered by the AB 63 effort.

Building permit revenues are on par with last fiscal year's first quarter, in both amount (\$490,342 compared to last year's \$471,785) and percentage of budget (31.2 percent



compared to 30.8 percent). The analysis indicates that this revenue budget might be increased at mid-year.

**Other General Fund Revenues – Intergovernmental revenue** received to date is significantly lower when compared to the prior year quarter. The large drop was anticipated in this revenue category with the expiration of the contract with the City of San Carlos for dispatch services in November 2011. The budget for State grant revenue is also down, reflecting the elimination of annual library funding of \$43,500. Revenues from **Fines and Forfeitures** decreased slightly, the result of comparatively fewer citations being issued for parking violations.

The **Interest Income** shown in this report has been adjusted to reverse prior year “unrealized gains” required for fiscal year-end reporting. Investment yields were projected to decrease in 2012-13: although the City’s conservative investment portfolio experienced historically low levels last year, interest rates are expected to remain very low through at least mid-2014. As higher yielding investments mature, earnings for the overall portfolio decrease. In addition, overall cash balances are anticipated to be lower as assets of the former redevelopment agency are remitted to the County for distribution to other taxing entities. However, the October payoff of the housing loan for the former City Manager will bolster interest earnings in the current fiscal year, as the loan provided for the deferral of much of the interest until the loan payoff date. Investment revenue will be analyzed further in the months to come, but it is anticipated that staff will recommend a slight increase in the 2012-13 budget for this revenue source. **Rental Income** is slightly lower this fiscal year, as \$2,250 per month is no longer received from the redevelopment agency for occupancy of administrative office space. Also, **Operating Transfers In** to the General Fund have decreased according to budget: the redevelopment agency payment for overhead administrative costs is no longer applicable.

As of September 30, 2012, actual General Fund revenues received were \$47,000 (1.1 percent) higher than in the same quarter of the 2011-12 fiscal year. Clearly, the current year status of these revenues will be more readily apparent once the second quarter can be analyzed for the Mid-year Report.

### **Expenditures**

As previously noted, the budgets shown from both fiscal years have been adjusted for commitments that were funded in the previous fiscal year. (Note that the amount of encumbrances carried forward from 2011-12 to the current year budget is \$272,551, as opposed to the \$243,416 indicated in the staff report #12-158 review of the General Fund’s unaudited financial status as of June 30, 2012.) Adjustments for prior year commitments are apparent in the increased budgetary shortfalls for each fiscal year (shown in columns D and E).

General Fund expenditures are up \$625,000 from the previous year as certain ongoing expenditures were absorbed from the former redevelopment agency in almost every department. However, the actual rate of expenditures in relation to the budget is very

consistent between the two comparative quarters, indicating that the 2012-13 budget should be adequate for the year, barring significant changes in operations.

Each fiscal year's expenditures include payroll costs incurred through mid-September. Payroll expenditures comprise nearly 72 percent of the General Fund adjusted budget for 2012-13. Personnel expenditures increased 5.3 percent from the comparative quarter of 2011; the largest increase in personnel costs represents funding of the **Police Department's** Narcotics Task Force, previously funded from redevelopment revenues.

Personnel costs in the **Public Works Department** actually declined from the prior year due mainly to the vacancy in the Engineering Services Manager position and a higher overall vacancy rate than experienced in the comparable quarter. However, certain operating costs previously funded at least in part by the former redevelopment agency, were picked up by the General Fund in this department, including the cost of membership in the San Francisquito Creek JPA.

An increase in the scope of the City's janitorial services contract is also reflected in the current year operational costs. Increased water rates and gasoline prices contribute to higher expenses when compared to the previous fiscal year.

With all programs in full swing in the expanded recreation facilities (as discussed in the revenue section of this analysis), **Community Services** personnel costs increased over the prior fiscal year's first quarter, largely due to the use of temporary help, particularly in July and August. Expenditures in the category of Contract Services were up \$64,000 (53 percent), indicative of the department's expanded contract classes and other program offerings. Finally, orders for additional equipment (\$20,000) and miscellaneous furnishings (\$10,000) for the new gymnastics center were placed in the previous fiscal year but received and paid for in this first quarter of 2012-13.

**Library** expenditures as a whole increased over the prior fiscal year's first quarter by \$59,000 (16.3 percent). Of the increase, \$40,000 is attributable to a higher volume of books and AV materials purchased during the quarter. Normal purchases of these materials were suspended for some time late in the prior fiscal year as the Library focused on implementation of the RFID conversion project. When the Library re-opened in June, purchasing was resumed, with the materials arriving in July and August. (The conversion project will eventually provide savings in time, money and labor in material check-out and circulation activities, and the RFID tags will offer better inventory control.)

Spending in the **Community Development** Department remained flat (when compared to the prior fiscal year's first quarter) with only slight increases noted in contract (plan check and legal) services. **Administrative Services** expenditures reflected increases in personnel costs as the vacant Director of Human Resources position was filled at the end of July. Also, payments for certain housing programs and memberships that were formerly charged to redevelopment accounts must now be borne by the General Fund budget for Administrative Services.

### **Impact of the Current Economy**

Cities throughout California continue to struggle with the extremely slow economic recovery from the 2007-2009 recession that significantly reduced major revenue sources. Although some revenue streams show signs of recovery in Menlo Park, sales taxes, utility users tax receipts and other income sources remain comparatively weak, and investment yields have stagnated at record lows. The State has experienced massive budget deficits in recent years. The dissolution of redevelopment agencies as of February 2012 – a “realignment” of the State’s budgetary priorities – has shifted the cost of redevelopment activities onto municipal General Fund budgets. Varying steps have been taken at all levels of government to curb rising employee health care and pension costs to prevent budget shortfalls in the future.

As the economy slowly recovers, Menlo Park continues to look for long-term strategies that will provide sustainable budgets through all economic environments, which has been the City’s objective since 2005-06. These long-term strategies will assist in improving alignment of the City’s various programs and service levels with the resources available. Staff remains committed to the development, recommendation and implementation of mid- to long-term strategies that will best scale the organization in the fiscal years to come.

### **POLICY ISSUES**

The format of the Quarterly Budget-to-Actual report was developed by the Finance and Audit Committee to facilitate quarterly analyses of General Fund operations and increase understanding of the City’s current fiscal affairs by the public and the Council. Again, because much of the cash receipts and most of the cash disbursements taking place through the first quarter of the new fiscal year relates to (and is accrued to) the prior fiscal year, very little data is available from which to glean current year trends. However, when amounts are compared to the prior fiscal year, the analysis has some level of usefulness. The format of this analysis allows tracking of General Fund revenue and expenditure activity with the annual budget in subsequent quarters.

Although not as rigorous a review as the Mid-Year Report, in which all funds and budgets are scrutinized, this first quarter analysis can provide some indication of any noteworthy changes needed to the General Fund operating budget.

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.

### **ATTACHMENT:**

A: Comparative General Fund Budget-to-Actual Report as of September 30, 2012

City of Menlo Park - General Fund  
Budget-to-Actual Report, FY 2012-13  
As of September 30, 2012

A	B	C	D	E	(E-C)/C	G	H	(H-G)/G	G/C	G/D	H/E	Notes
	Adjusted Budget as of 6/30/12	Un-Audited Actual FY 2011-12	2011-12 Budget 9/30/2011	2012-13 Budget 9/30/2012	% Budget Change 9/30/12 to Un-Audited Actual FY 11-12	Actual YTD 9/30/2011	Actual YTD 9/30/2012	% Actual Change	% of Actual YTD 9/30/2012 to Audited Actual FY 11-12	% Actual-to- Budget 9/30/2011	% Actual-to- Budget 9/30/2012	
Property Tax	\$13,021,000	\$13,139,924	\$13,021,000	\$13,658,000	3.94%	\$91,796	\$84,707	-7.72%	0.70%	0.70%	0.62%	
Sales Tax	6,203,000	5,938,310	6,203,000	6,330,000	6.60%	880,876	789,905	-10.33%	14.83%	14.20%	12.48%	1
Transient Occupancy Tax	2,920,000	2,939,475	2,580,000	3,326,000	13.15%	0	0	0.00%	0.00%	0.00%	0.00%	
Utility Users' Tax	1,135,900	1,080,435	1,249,000	1,180,500	9.26%	217,436	200,610	-7.74%	20.12%	17.41%	16.99%	
Franchise Fees	1,768,000	1,758,705	1,743,000	1,873,500	6.53%	80,702	85,652	6.13%	4.59%	4.63%	4.57%	
Charges for Services	6,243,141	6,743,126	5,425,265	6,370,600	-5.52%	1,366,960	1,900,504	39.03%	20.27%	25.20%	29.83%	2
Licenses and Permits	3,371,465	3,685,556	3,307,140	4,266,465	15.76%	685,280	621,719	-9.28%	18.59%	20.72%	14.57%	
Interest Income	315,000	429,515	560,000	390,000	-9.20%	109,071	82,120	-24.71%	25.39%	-2.09%	21.06%	3
Rental Income	366,188	374,986	365,438	380,018	1.34%	26,032	19,805	-23.92%	6.94%	7.12%	5.21%	
Intergovernmental Revenue	1,140,552	1,158,010	1,131,631	911,263	-21.31%	397,395	204,533	-48.53%	34.32%	35.12%	22.45%	4
Fines & Forfeitures	980,000	1,067,327	970,000	1,085,200	1.67%	214,105	206,842	-3.39%	20.06%	22.07%	19.06%	
Operating Transfers In/ Other Revenue	589,559	606,176	707,125	418,123	-31.02%	187,292	107,571	-42.57%	30.90%	26.49%	25.73%	5
<b>Total Revenues:</b>	<b>\$38,053,805</b>	<b>\$38,921,545</b>	<b>\$37,262,599</b>	<b>\$40,189,669</b>	<b>3.26%</b>	<b>\$4,256,945</b>	<b>\$4,303,968</b>	<b>1.10%</b>	<b>10.94%</b>	<b>11.42%</b>	<b>10.71%</b>	
Police	14,318,619	13,975,240	13,891,219	14,707,833	5.24%	2,993,902	3,282,210	9.63%	21.42%	21.55%	22.32%	6
Public Works	4,895,007	4,482,385	5,039,371	5,311,333	18.49%	1,035,531	1,201,618	16.04%	23.10%	20.55%	22.62%	7
Community Services	6,651,453	6,310,929	6,562,831	7,080,558	12.20%	1,364,398	1,532,568	12.33%	21.62%	20.79%	21.64%	8
Library	2,033,990	1,871,633	2,033,990	2,042,465	9.13%	362,016	421,034	16.30%	19.34%	17.80%	20.61%	
Community Development	3,490,954	3,383,568	2,822,623	2,987,249	-11.71%	528,641	538,019	1.77%	15.62%	18.73%	18.01%	
Administrative Services	5,038,800	4,616,945	4,954,665	5,608,113	21.47%	1,071,222	1,124,152	4.94%	23.20%	21.62%	20.05%	
Operating Transfers Out	2,377,800	2,377,800	2,377,800	2,464,328	3.64%	594,450	616,082	3.64%	25.00%	25.00%	25.00%	
<b>Total Expenditures:</b>	<b>\$38,806,623</b>	<b>\$37,018,500</b>	<b>\$37,682,499</b>	<b>\$40,201,879</b>	<b>8.60%</b>	<b>\$7,950,160</b>	<b>\$8,715,683</b>	<b>9.63%</b>	<b>21.48%</b>	<b>21.10%</b>	<b>21.68%</b>	
Preliminary addition/draw on General Fund Reserves	<b>(\$752,818)</b>	<b>\$1,903,045</b>	<b>(\$419,900)</b>	<b>(\$12,210)</b>		<b>(\$3,693,215)</b>	<b>(\$4,411,715)</b>					
Carry-over encumbrances and Reappropriations from prior year subtracted from adjusted budget.	419,900		419,900	272,551								
Net addition to/draw on General Fund Reserves	<b>(\$332,918)</b>		<b>\$0</b>	<b>\$260,341</b>								
Net Operating Revenue	<b>(\$332,918)</b>		<b>\$0</b>	<b>\$260,341</b>								

## NOTES:

- (1) Sales Tax reflects payments from State (estimated) for July and August.
- (2) Charges for Services increase in recreation fees for contract classes and gymnastics.
- (3) Business License receipts down \$125,000: prior year compliance program yielded approximately 400 new licenses for tax years 2009, 2010 and 2011 .
- (4) Intergovernmental revenue decreased due to expiration of the contract with San Carlos dispatch November 2011.
- (5) Operating Transfers In for RDA administrative overhead decrease due to RDA dissolution as of 2/1/12.
- (6) Police Narcotics Task Force costs previously charged to former redevelopment agency.
- (7) Public Works includes \$108,000 membership for the JPA San Francisquito Creek, previously funded in RDA.
- (8) Community Services increase in contract services due to increased classes at new facilities.



## ADMINISTRATIVE SERVICES

Council Meeting Date: November 13, 2012

Staff Report #: 12-170

Agenda Item #: I-3

### INFORMATION ITEM: Review of the City's Investment Portfolio as of September 30, 2012

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

#### BACKGROUND

The City's investment policy requires a quarterly investment report, which includes all financial investments of the City and provides information on the investment type, value and yield for all securities. The report also provides Council an update on the cash balances of the City's various funds.

#### ANALYSIS

##### Investment Portfolio as of September 30, 2012

Various reports are prepared monthly by Cutwater Asset Management, the City's investment advisory firm, and are attached to this staff report. The "Recap Of Securities Held" confirms that the historical (book) value of the total portfolio at the end of September was over \$89.6 million. The portfolio includes the General Fund, Water Fund, Special Revenue Funds, Successor Agency Funds, Capital Project Fund and Measure T General Obligation (GO) bond proceeds. Funds are invested in accordance with the City Council policy on investments using safety, liquidity and yield as selection criteria. Approximately \$45.7 million (51 percent) is invested in the State investment pool, the Local Agency Investment Fund (LAIF). LAIF is considered a safe investment and it provides the liquidity of a money market fund. Of the remaining \$43.9 million, \$20.6 million (23.1 percent) is invested in short-term Federal agency issues (U.S. Instrumentality), \$5 million (5.6 percent) in U.S. Treasury securities, \$11.8 million (13.1 percent) in medium-term corporate notes, and \$6.5 million (7.2 percent) in high-grade commercial paper. All the mentioned securities are prudent short-term investments, since they generally bear a higher interest rate than LAIF, provide investment diversification and remain secure investment instruments.

At the end of September, the fair value (market value) of the City's securities was over \$229,000 *higher* than the amortized historical cost which is referred to as an unrealized gain. This is a slight increase in the unrealized gain from the beginning of the fiscal year (\$160,000). Fair value fluctuates from one period to another depending on the supply and demand for bonds and securities at a particular point in time. Therefore,

there is often a difference between the historical cost (the value at the time of purchase) and the fair value (the value of the same security at a specific date), creating an unrealized gain or loss. Since the City's portfolio is fairly short-term in nature and the City generally holds the securities to maturity in order to avoid market risk, the information on the unrealized gain is significant only for reporting at the end of the fiscal year.

### **Current Market Conditions**

The growth of the U.S. economy remains weak. During the second quarter, the growth of the U.S. economy grew at a rate of 1.3 percent, down from the 2 percent growth in the first quarter and the 4.1 percent rate in the fourth quarter of 2011. Personal consumption increased by only 1.5 percent during the quarter. The growth was mostly due to increased spending for energy, such as gasoline, and durable goods. The unemployment rate dropped to 7.8 percent in September as 114,000 jobs were added, which is above the August forecast of 96,000. This is the first time the unemployment rate has been below 8 percent since 2008. Concern that the U.S. economy is heading toward a "fiscal cliff" - requiring \$600 billion in combined federal spending cuts and tax increases, unless Congress acts - has contributed to the sluggish increase in consumer spending and overall growth. The uncertainty has created continued volatility in the financial markets, and the resulting treasury rates suggest that the pace of U.S. economic recovery will continue to be slow.

The Federal Open Market Committee (FOMC) met several times during the last quarter to discuss monetary policy. With the economic recovery slowing down, the FOMC determined that the federal funds rate would remain at the current near-zero level until mid-2015. It was also decided to extend Operation Twist (selling short-term securities of 3 years or less to purchase long-term securities) for another year. In addition, concerned that the unemployment rate is still near 8%, the FOMC implemented a new monetary policy. The new policy includes purchasing additional agency mortgage-back securities at a pace of \$40 billion a month until the labor market improves substantially. This action, together with Operation Twist, will increase the Committee's holdings of longer-term securities by about \$85 billion a month through the end of the year. It is expected that these actions will continue to put a downward pressure on longer-term interest rates, support mortgage markets, and help to improve other financial conditions. Therefore, it is expected that the low yields on U.S. Treasuries and other safe investments will continue for at least another three years. The FOMC meets again on December 11<sup>th</sup>.

### **Investment Yield**

The annualized rate of return for the City's portfolio shown on the performance summary as of September 30, 2012, prepared by Cutwater, is 0.59 percent, net of fees. This rate of return is higher than the rate of the 2-year Treasury-Note (12-month trailing) of 0.27 percent and the rate of return earned through LAIF over the past quarter of 0.35 percent.

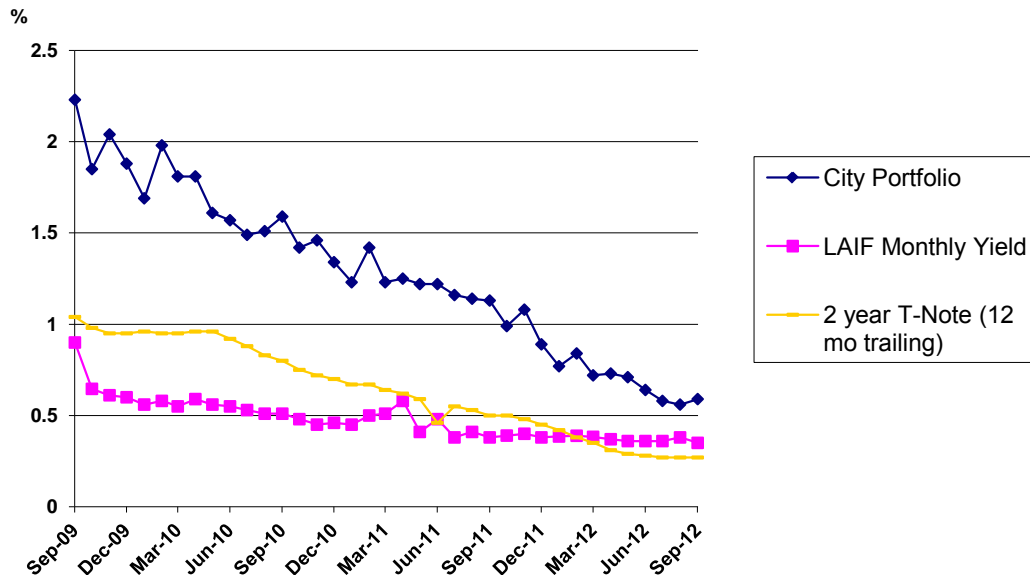
Over the third quarter of 2012, investment yields saw various changes for short-term bonds and long-term bonds. However, over the past year, longer-term securities of over 3 years have decreased due to, in part, the FMOC's continuing plan to purchase the longer-term securities. Therefore, investment opportunities in Treasuries continue to be unattractive and only offer a higher yield than LAIF for bonds with durations of well over 2 years. The difference can be seen by the change in U.S. Treasuries rates:

Term	September 30,	June 30,	September 30,
	<u>2011</u>	<u>2012</u>	<u>2012</u>
3-month	0.02	0.08	0.09
6-month	0.05	0.15	0.13
2-year	0.24	0.30	0.23
5-year	0.95	0.75	0.63
10-year	1.92	1.65	1.63
30-year	2.91	2.75	2.82

As previously stated, 51 percent of the portfolio resides in the City's LAIF account yielding 0.35 percent for the quarter ending September 30, 2012. Since the City does not need all of its funds to be liquid, investments in U.S. Treasury, agency, corporate notes and commercial paper are made in an effort to enhance yields. The higher yields earned on holdings purchased through early 2008 maintained the portfolio's annualized return at a yield above one percent only through November 2011; since all holdings have a term of less than five years, these investments have matured or have been called. The last of these investments matured on October 19, 2012. Considering that the Fed's Fund rate will remain low until at least 2015, staff is continuing to commit City funds for the short term until rates eventually start to increase.

The maximum holding permitted by LAIF in a single agency account is \$50 million. Recall that as of January 31<sup>st</sup>, nearly \$13.4 million of funds held by the Community Development Agency (CDA) were transferred from the Agency's LAIF account to the City's regular bank account, and then transferred, to the extent possible, to the City's LAIF account. Most of these funds represent largely unencumbered fund balances of the former Agency and will be forwarded to the County Controller's Office by May 2013. With the completion of the Due Diligence Report for the Low to Moderate Income Housing funds, the City (as the successor agency to the former CDA) will need to transfer over \$5 million in the former agency's housing fund to the County during the month of November. Over the past two quarters, the yields on 2-year Treasuries have fallen below those available with LAIF. When the City forwards the funds to the County, the City's LAIF account will not be maximized and staff will have more flexibility in reinvesting excess funds.

### Comparative Rates of Return



Fees paid to Cutwater (totaling \$8,746 for the quarter ended September 30, 2012) are deducted from investment earnings before calculating the City’s net rate of return. Staff continues to work with the City’s investment advisors to meet the City’s investment objectives and rearrange the portfolio for maximum yield.

### Investment Transactions in the Third Quarter

With the City’s LAIF account continuing to be near the maximum holding amount permitted, staff has been trying to purchase new short-term investments as others are called or matured. There continue to be few qualified investment opportunities with the same or higher yields than LAIF. Therefore, staff has been researching other alternatives (within the guidelines of the City’s Investment Policy) for investing the City’s excess funds. During the third quarter, the City re-invested \$4.225 million by purchasing two corporate bonds and a government agency callable bond with maturities of no longer than three years. These purchases were made to reinvest funds from \$7.5 million in securities that matured or were called during the period. The remaining funds were used in the operating activities of the City during the quarter. The purchased securities offered slightly higher yields than those available with LAIF and T-Notes and continue with the diversity of the City’s portfolio. During the month of October, nearly \$6 million in securities has matured, one of which was the last remaining higher yielding bond purchased in 2008.

Even though longer-term purchases were made to add some slightly-higher yielding instruments and support a higher weighted average duration of the total portfolio, the average number of days to maturity in the City’s portfolio decreased during the third quarter. The average number of days to maturity of the City’s portfolio as of September



30, 2012 is 203 days as compared to 213 days as of June 30, 2012. There were two long-term securities that were called during the quarter and not all the funds from securities that matured or were called were reinvested in new ones. The average life of securities in LAIF's portfolio as of September 30, 2012 was 242 days. There were \$4 million in callable investments that were called during the quarter, and only one security purchased during the quarter that was callable. Callable investments provide a slightly higher yield because of the added risk of being called prior to maturity. Of the \$20 million of agency bonds currently held in the City's portfolio, seven are callable agency bonds with a par value of \$15.5 million.

Investments that matured, were called or purchased during the period of July 1, 2012 through September 30, 2012 are shown in the schedule below:

Date	Transaction	Description	Term	% Yield	Principal
07/02/12	Maturity	CP – Barclays	5 mos	0.68	\$2,500,000
07/11/12	Call	FHLMC callable	1.00 yr	1.04	\$2,000,000
07/16/12	Purchase	FNMA callable	3.00 yrs	0.65	\$2,500,000
07/27/12	Call	FHLMC callable	1.00 yr	2.05	\$2,000,000
09/21/12	Purchase	PEPSICO Inc	2.50 yrs	0.53	\$1,000,000
09/21/12	Purchase	GE Capital	3.00 yr	1.20	\$725,000
09/26/12	Maturity	CP – Rabobank	6 mos	0.51	\$1,000,000

As previously stated, staff continues to acquire mostly short-term bonds so as not to be holding too many low yielding securities when interest rates eventually start to increase.

### **Cash and Investments by Fund**

Overall, the City's investment portfolio decreased by over \$7.7 million in the third quarter of 2012. The schedule below lists the change in cash balance by fund type.

Fund/Fund Type	Cash Balance as of 09/30/12	Cash Balance as of 06/30/12	Difference	% Change
General Fund	15,468,802	17,616,192	(2,147,390)	-12.19%
Bayfront Park Maintenance Fund	751,393	774,133	(22,740)	-2.94%
Recreation -in-Lieu Fund	501,788	469,048	32,740	6.98%
Other Expendable Trust Funds	925,672	1,009,754	(84,082)	-8.33%
Transportation Impact Fee Fund	2,949,982	3,056,300	(106,318)	-3.48%
Garbage Service Fund	704,817	1,038,552	(333,735)	-32.13%
Parking Permit Fund	2,653,252	2,702,336	(49,084)	-1.82%
BMR Housing Fund	5,117,436	6,993,759	(1,876,323)	-26.83%
Measure A Funds	957,871	979,525	(21,654)	-2.21%
Storm Water Management Fund	116,385	175,089	(58,704)	-33.53%
Successor Agency Funds	21,404,845	21,422,600	(17,755)	-0.08%
Measure T Funds	298,587	605,708	(307,121)	-50.70%
Other Special Revenue Funds	10,093,894	11,470,211	(1,376,317)	-12.00%
Capital Project Fund- General	9,352,757	8,871,004	481,753	5.43%
Water Operating & Capital	14,724,722	14,853,837	(129,115)	-0.87%
Debt Service Fund	546,116	2,066,573	(1,520,457)	-73.57%
Internal Service Fund	3,063,565	3,281,914	(218,349)	-6.65%
Total Portfolio of all Funds	89,631,883	97,386,535	(7,754,652)	-7.96%

Cash and investment holdings in the General Fund decreased due to normal operations during the past quarter. Throughout the fiscal year, the negative net cash outlays for operations are offset by property tax revenues, received in December and April of every fiscal year. The General Capital Project fund increased due to transfers in from the General Fund. There were fewer payments to vendors for capital project expenditures during the quarter to offset the increase in cash.

The Measure T Fund decreased as work on the Gymnastics Center was completed during the last quarter with the remaining invoices being paid in July and August. In Other Special Revenue Funds, the Traffic Congestion Relief and the Construction Impact Fee funds both decreased due to payments made totaling over \$1.2 million. These payments were related to expenses for the Street Resurfacing Capital Improvement Project. The BMR Fund used \$1,849,000 for the HIP Housing loan in July.

The Garbage Service Fund decreased during the quarter due to the pay-off of the Allied liability of over \$550,000 (for collection services previous to January 1, 2011) that was due by October. This amount was offset by the collection of almost \$230,000 in solid waste services fees during the quarter. And the City's Debt Service Funds decreased due to the debt service payments made in July 2012 for the City's general obligation bonds.

## **IMPACT ON CITY RESOURCES**

Due to the liquidity of LAIF accounts, the City has more than sufficient funds available to meet its expenditure requirements for the next six months.

## **POLICY ISSUES**

The City and the Successor Agency funds are invested in full compliance with the City's Investment Policy and State Law, which emphasize the following criteria, in the order of importance: safety, liquidity and yield.

## **ENVIRONMENTAL REVIEW**

This report is not subject to the California Environmental Quality Act (CEQA).

Signature on File  
Geoffrey Buchheim  
Financial 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.

**ATTACHMENT:**

A: Cutwater Investment Reports (attachment) for the period of September 1, 2012 – September 30, 2012, including:

- Fixed Income Market Review for the month of September;
- Activity and Performance Summary (amortized cost basis and fair market value basis);
- Recap of Securities Held;
- Maturity Distribution of Securities Held;
- Securities Held (detail); and
- Governmental Accounting Standards Board (GASB) 40 Deposit and Investment Risk Disclosure



**Cutwater Asset Management**  
1900 Sixteenth Street, Suite 200  
Denver, CO 80202  
**Tel: 303 860 1100**  
Fax: 303 860 0016

## CITY OF MENLO PARK

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Report for the period September 1, 2012 - September 30, 2012

Please contact Accounting by calling the number above or email [camreports@cutwater.com](mailto:camreports@cutwater.com) with questions concerning this report.

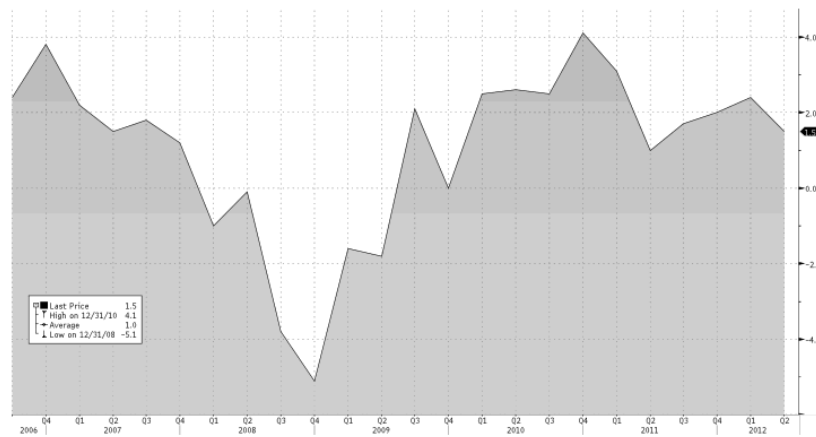
( This report was prepared on October 5, 2012 )

## Fixed Income Market Review September 30, 2012

### U.S. Personal Consumption Expenditures

**Chart 1**

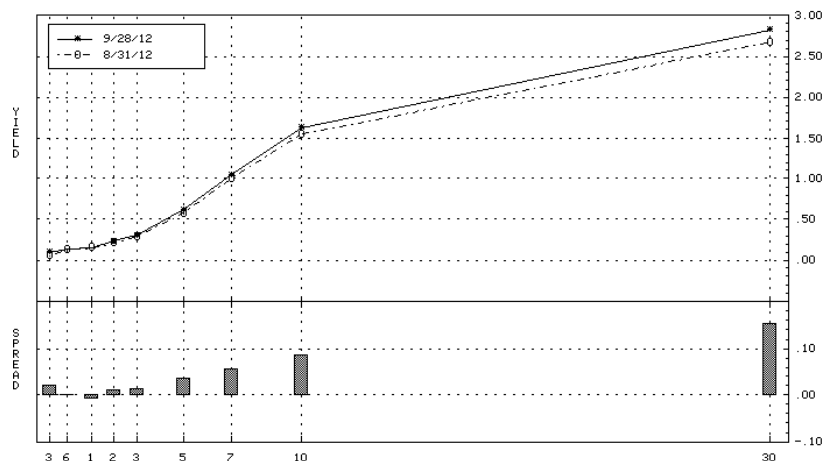
9/30/06-6/30/12



### Treasury Yield Curves

**Chart 2**

8/31/12-9/30/12



**Economic Indicators & Monetary Policy** – The U.S. economy is showing further signs of slowing as consumer spending stalled in August after a spike in energy prices curtailed household income, indicating the largest part of the economy is struggling to support the economic recovery. Household purchases increased 0.5 percent with the increase largely attributable to a 0.4 percent surge in gas prices. Spending on durable goods, such as automobiles, increased 0.5 percent in August while purchases of non-durable goods, such as gasoline, advanced 0.3 percent. Services dropped 0.1 percent. Retail sales increased 0.9 percent in August, the most in six months. The gain, however, is mostly due to receipts from auto dealers and service stations, which has left consumers with less money to spend on other items.

A struggling job market and rising gasoline prices could make it more difficult to spark a U.S. expansion. While the unemployment rate dropped from 8.3 percent to 8.1 percent in August, the decrease was due to 368,000 people leaving the labor force. The jobless rate has exceeded 8 percent for 43 consecutive months, the longest span since monthly records began in 1948. Slow growth projections have prompted the Federal Reserve to implement more accommodation measures to help spur the 3-year-old expansion. The Federal Open Market Committee directed the Open Market Trading Desk to begin purchasing \$40 billion per month of mortgage-backed securities and extend the average maturity of its Treasury holdings. These actions are intended to place downward pressure on longer-term interest rates. The Fed plans to hold interest rates “exceptionally” low at least through mid-2015.

During the second quarter 2012, the U.S. economy expanded at a revised 1.3 percent annual rate from a prior 1.7 percent estimate, the weakest pace since 2011. The revision reflects slower consumer spending at clothing and general merchandise stores that may be due to rising fuel costs, elevated unemployment, and the prospect for adverse tax law changes. Personal Expenditures grew at a revised 1.5 percent annual rate. (See Chart 1)

**Yield Curve & Spreads** – Treasury yields moved higher in September due to mixed economic data.

At the end of September, the 3-month Treasury bill yielded 0.09 percent, 6-month Treasury bill yielded 0.13 percent, 2-year Treasury yielded 0.23 percent, 5-year Treasury yielded 0.63 percent, 10-year Treasury yielded 1.63 percent, and the 30-year Treasury yielded 2.82 percent. (See Chart 2)

**Additional Information**  
**September 30, 2012**

A current version of the investment adviser brochure, for Cutwater Investor Services Corp., in the form of the Firm's ADV Part 2A is available for your review. Please contact our Client Service Desk at 1-800-395-5505 or mail your request to:

Cutwater Investor Services Corp.  
Attention: Client Services  
113 King Street  
Armonk, NY 10504

A copy of the brochure will be sent to you either by mail or electronically at your option.

In addition, a copy of the most recent version of the Firm's complete Form ADV can be downloaded from the SEC website at [www.adviserinfo.sec.gov/](http://www.adviserinfo.sec.gov/).

**City of Menlo Park  
Activity and Performance Summary  
for the period September 1, 2012 - September 30, 2012**

**Amortized Cost Basis Activity Summary**

<b>Beginning Amortized Cost Value</b>	91,549,244.76
Additions	
Contributions	0.00
Interest Received	25,241.28
Accrued Interest Sold	0.00
Gain on Sales	0.00
<b>Total Additions</b>	<b>25,241.28</b>
Deductions	
Withdrawals	2,186,381.77
Fees Paid	2,906.95
Accrued Interest Purchased	2,402.58
Loss on Sales	0.00
<b>Total Deductions</b>	<b>(2,191,691.30)</b>
Accretion (Amortization) for the Period	(14,417.84)
<b>Ending Amortized Cost Value</b>	<b>89,368,376.90</b>
Ending Fair Value	89,598,368.86
Unrealized Gain (Loss)	229,991.96

**Detail of Amortized Cost Basis Return**

	Interest Earned	Accretion (Amortization)	Realized Gain (Loss)	Total Income
<b>Current Holdings</b>				
Cash and Equivalents	14,555.15	0.00	0.00	14,555.15
Commercial Paper	0.00	3,237.50	0.00	3,237.50
U.S. Treasury	3,474.80	(21.95)	0.00	3,452.85
U.S. Instrumentality	18,072.93	(6,306.21)	0.00	11,766.72
Corporate	25,475.11	(11,674.40)	0.00	13,800.71
<b>Sales and Maturities</b>				
Commercial Paper	0.00	347.22	0.00	347.22
<b>Total</b>	<b>61,577.99</b>	<b>(14,417.84)</b>	<b>0.00</b>	<b>47,160.15</b>

**Annualized Comparative Rates of Return**

	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.12 %	0.15 %	0.15 %
Overnight Repo	0.13 %	0.18 %	0.23 %
3 Month T-Bill	0.05 %	0.08 %	0.09 %
6 Month T-Bill	0.09 %	0.12 %	0.12 %
1 Year T-Note	0.16 %	0.18 %	0.17 %
2 Year T-Note	0.27 %	0.27 %	0.26 %
5 Year T-Note	0.83 %	0.73 %	0.67 %

**Summary of Amortized Cost Basis Return for the Period**

	Total Portfolio	Excl. Cash Eq.
Interest Earned	61,577.99	47,022.84
Accretion (Amortization)	(14,417.84)	(14,417.84)
Realized Gain (Loss) on Sales	<u>0.00</u>	<u>0.00</u>
Total Income on Portfolio	47,160.15	32,605.00
Average Daily Historical Cost	90,819,925.76	43,604,278.11
Annualized Return	0.63%	0.91%
Annualized Return Net of Fees	0.59%	0.83%
Annualized Return Year to Date Net of Fees	0.68%	1.06%
Weighted Average Effective Maturity in Days	203	413

**City of Menlo Park  
Activity and Performance Summary  
for the period September 1, 2012 - September 30, 2012**

<u>Fair Value Basis Activity Summary</u>	
<b>Beginning Fair Value</b>	91,791,070.46
Additions	
Contributions	0.00
Interest Received	25,241.28
Accrued Interest Sold	0.00
<b>Total Additions</b>	25,241.28
Deductions	
Withdrawals	2,186,381.77
Fees Paid	2,906.95
Accrued Interest Purchased	2,402.58
<b>Total Deductions</b>	(2,191,691.30)
Change in Fair Value for the Period	(26,251.58)
<b>Ending Fair Value</b>	89,598,368.86

<u>Detail of Fair Value Basis Return</u>			
	Interest Earned	Change in Fair Value	Total Income
<b>Current Holdings</b>			
Cash and Equivalents	14,555.15	0.00	14,555.15
Commercial Paper	0.00	2,101.50	2,101.50
U.S. Treasury	3,474.80	(2,891.00)	583.80
U.S. Instrumentality	18,072.93	(9,689.00)	8,383.93
Corporate	25,475.11	(15,947.08)	9,528.03
<b>Sales and Maturities</b>			
Commercial Paper	0.00	174.00	174.00
<b>Total</b>	<b>61,577.99</b>	<b>(26,251.58)</b>	<b>35,326.41</b>

<u>Annualized Comparative Rates of Return</u>			
	Twelve Month Trailing	Six Month Trailing	For the Month
Fed Funds	0.12 %	0.15 %	0.15 %
Overnight Repo	0.13 %	0.18 %	0.23 %
3 Month T-Bill	0.08 %	0.14 %	0.12 %
6 Month T-Bill	0.17 %	0.22 %	0.24 %
1 Year T-Note	0.25 %	0.32 %	0.24 %
2 Year T-Note	0.33 %	0.62 %	-0.12 %
5 Year T-Note	3.54 %	5.54 %	-0.37 %

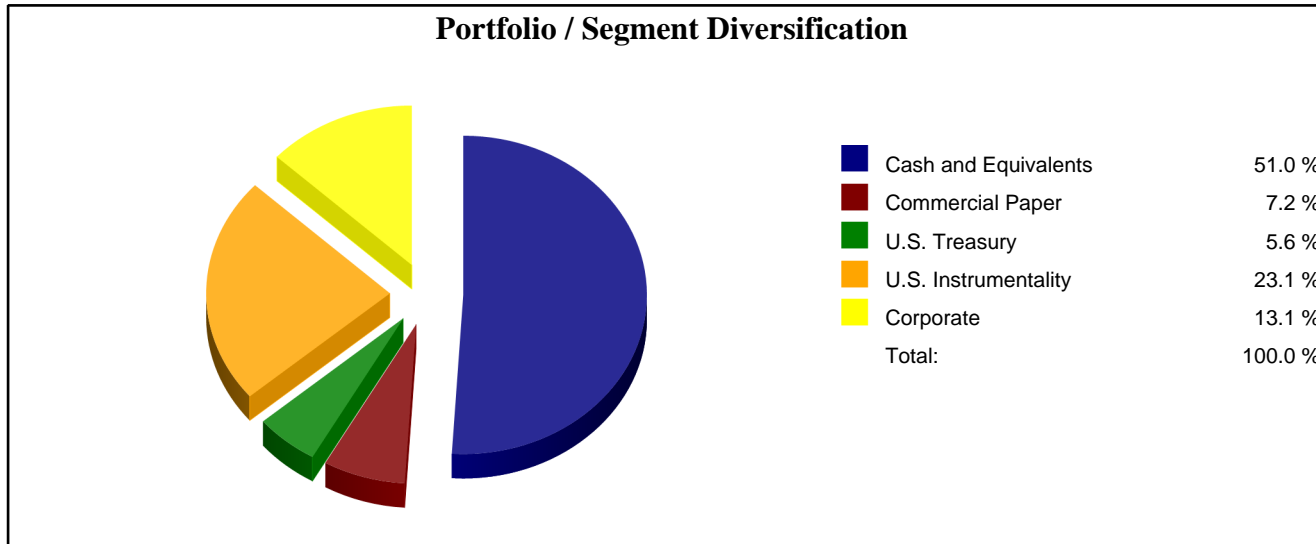
<u>Summary of Fair Value Basis Return for the Period</u>		
	Total Portfolio	Excl. Cash Eq.
Interest Earned	61,577.99	47,022.84
Change in Fair Value	<u>(26,251.58)</u>	<u>(26,251.58)</u>
Total Income on Portfolio	35,326.41	20,771.26
Average Daily Historical Cost	90,819,925.76	43,604,278.11
Annualized Return	0.47%	0.58%
Annualized Return Net of Fees	0.44%	0.50%
Annualized Return Year to Date Net of Fees	0.68%	1.06%
Weighted Average Effective Maturity in Days	203	413



**City of Menlo Park  
Recap of Securities Held  
September 30, 2012**

	Historical Cost	Amortized Cost	Fair Value	Unrealized Gain (Loss)	Weighted Average Final Maturity (Days)	Weighted Average Effective Maturity (Days)	% Portfolio/Segment	Weighted Average Yield *	Weighted Average Market Duration (Years)
Cash and Equivalents	45,705,939.31	45,705,939.31	45,705,939.31	0.00	1	1	50.99	0.38	0.00
Commercial Paper	6,478,127.08	6,495,599.17	6,497,860.50	2,261.33	39	39	7.23	0.61	0.00
U.S. Treasury	5,010,468.76	5,013,705.63	5,061,132.00	47,426.37	634	634	5.59	0.84	1.71
U.S. Instrumentality	20,674,970.00	20,615,537.46	20,686,356.00	70,818.54	974	343	23.07	0.68	0.93
Corporate	11,762,378.48	11,537,595.33	11,647,081.05	109,485.72	648	648	13.12	1.48	1.73
<b>Total</b>	<b>89,631,883.63</b>	<b>89,368,376.90</b>	<b>89,598,368.86</b>	<b>229,991.96</b>	<b>349</b>	<b>203</b>	<b>100.00</b>	<b>0.63</b>	<b>0.54</b>

\* Weighted Average Yield is calculated on a "yield to worst" basis.

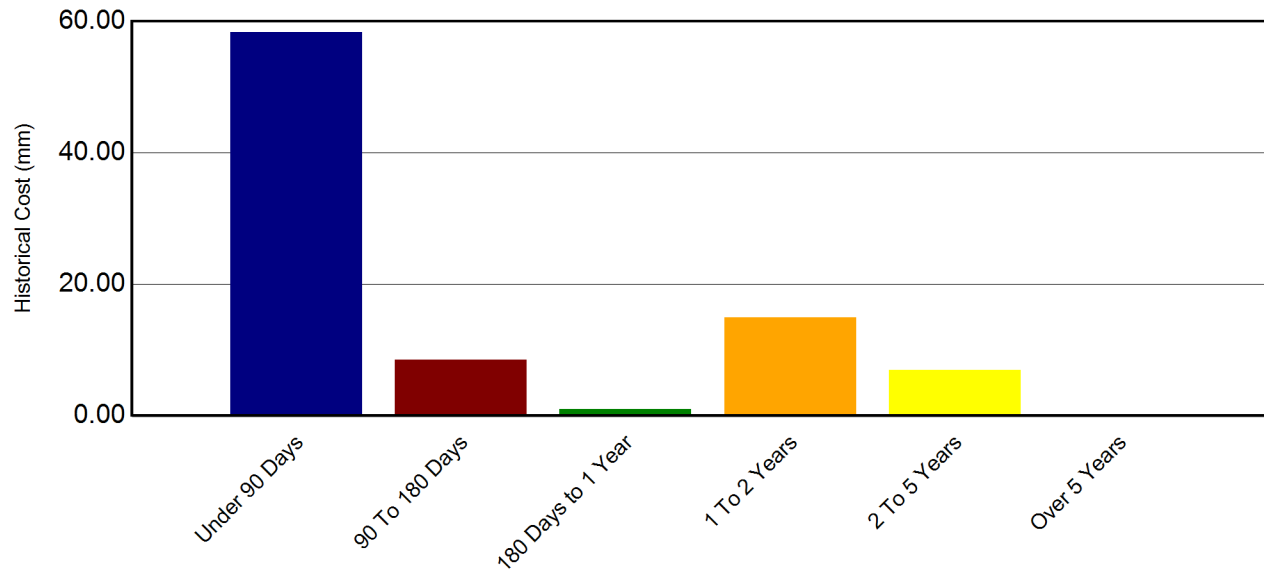


**City of Menlo Park**  
**Maturity Distribution of Securities Held**  
**September 30, 2012**

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Maturity	Historical Cost	Percent
Under 90 Days	58,315,759.89	65.06 %
90 To 180 Days	8,524,460.00	9.51 %
180 Days to 1 Year	998,671.88	1.11 %
1 To 2 Years	14,901,928.13	16.63 %
2 To 5 Years	6,891,063.73	7.69 %
Over 5 Years	0.00	0.00 %
	<b>89,631,883.63</b>	<b>100.00 %</b>

**Maturity Distribution**



**City of Menlo Park  
Securities Held  
September 30, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
<b><u>Cash and Equivalents</u></b>													
LAIF - City 98-19-22	09/30/12	0.377V		45,470,641.14	45,470,641.14	45,470,641.14	45,470,641.14	0.00	0.00	14,486.27	44,798.52	50.73	0.38
					0.00	0.00	0.00						
LAIF-GO Bond	09/30/12	0.377V		231,548.17	231,548.17	231,548.17	231,548.17	0.00	0.00	68.88	210.76	0.26	0.38
					0.00	0.00	0.00						
Int Receivable	09/30/12	0.000	10/01/12	3,750.00	3,750.00	3,750.00	3,750.00	0.00	0.00	0.00	0.00	0.00	0.00
					0.00	0.00	0.00						
<b>TOTAL (Cash and Equivalents)</b>				<b>45,705,939.31</b>	<b>45,705,939.31</b>	<b>45,705,939.31</b>	<b>45,705,939.31</b>	<b>0.00</b>	<b>0.00</b>	<b>14,555.15</b>	<b>45,009.28</b>	<b>50.99</b>	
					0.00	0.00	0.00						
<b><u>Commercial Paper</u></b>													
48802WNH7	05/11/12	0.000	10/15/12	3,000,000.00	2,992,542.50	2,999,335.00	2,999,769.00	434.00	0.00	0.00	0.00	3.34	0.58
KELLS FUNDING LLC					0.00	1,425.00	555.00						
74977KL80	05/11/12	0.000	11/08/12	1,500,000.00	1,496,304.58	1,499,224.17	1,499,611.50	387.33	0.00	0.00	0.00	1.67	0.50
Rabobank USA					0.00	612.50	442.50						
85324TME3	03/21/12	0.000	12/14/12	2,000,000.00	1,989,280.00	1,997,040.00	1,998,480.00	1,440.00	0.00	0.00	0.00	2.22	0.73
STANDARD CHARTER					0.00	1,200.00	1,104.00						
<b>TOTAL (Commercial Paper)</b>				<b>6,500,000.00</b>	<b>6,478,127.08</b>	<b>6,495,599.17</b>	<b>6,497,860.50</b>	<b>2,261.33</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7.23</b>	
					0.00	3,237.50	2,101.50						
<b><u>U.S. Treasury</u></b>													
912828QL7	04/12/11	0.750	03/31/13	1,000,000.00	998,671.88	999,665.66	1,002,969.00	3,303.34	3,750.00	614.86	20.60	1.11	0.82
T-Note					0.00	55.41	(390.00)						
912828PL8	12/15/10	0.750	12/15/13	2,000,000.00	1,985,781.25	1,994,291.74	2,012,968.00	18,676.26	0.00	1,229.51	4,426.23	2.22	0.99
T-Note					0.00	389.20	(860.00)						
912828RB8	08/25/11	0.500	08/15/14	1,000,000.00	1,003,046.88	1,001,916.22	1,004,883.00	2,966.78	0.00	407.61	638.59	1.12	0.40
T-Note					0.00	(84.17)	(312.00)						
912828QX1	08/25/11	1.500	07/31/16	1,000,000.00	1,022,968.75	1,017,832.01	1,040,312.00	22,479.99	0.00	1,222.82	2,527.17	1.14	1.02
T-Note					0.00	(382.39)	(1,329.00)						
<b>TOTAL (U.S. Treasury)</b>				<b>5,000,000.00</b>	<b>5,010,468.76</b>	<b>5,013,705.63</b>	<b>5,061,132.00</b>	<b>47,426.37</b>	<b>3,750.00</b>	<b>3,474.80</b>	<b>7,612.59</b>	<b>5.59</b>	
					0.00	(21.95)	(2,891.00)						
<b><u>U.S. Instrumentality</u></b>													
3133XW7L7	03/20/12	1.500	01/16/13	2,000,000.00	2,020,860.00	2,007,390.79	2,007,634.00	243.21	0.00	2,500.00	6,250.00	2.25	0.23
FHLB					0.00	(2,072.19)	(2,184.00)						
31398A3G5	09/28/11	1.500	09/08/14	1,500,000.00	1,535,565.00	1,523,368.45	1,530,750.00	7,381.55	11,250.00	1,875.00	1,437.50	1.71	0.69

**City of Menlo Park  
Securities Held  
September 30, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield	
FNMA					0.00	(991.59)	(963.00)							
3135G0EQ2	Call	11/07/11	11/07/14	3,000,000.00	3,000,000.00	3,000,000.00	3,001,806.00	1,806.00	0.00	2,500.00	12,000.00	3.35	1.00	
FNMA			11/07/12		0.00	0.00	(1,311.00)							
3135G0HC0	Call	06/08/12	01/30/15	2,000,000.00	2,003,600.00	2,001,845.76	2,002,922.00	1,076.24	0.00	1,041.67	2,118.06	2.24	0.35	
FNMA			01/30/13		0.00	(457.63)	(454.00)							
3136G0KG5	Call	06/05/12	06/04/15	2,000,000.00	2,001,400.00	2,001,173.39	2,005,562.00	4,388.61	0.00	1,041.67	4,062.50	2.23	0.59	
FNMA			06/04/14		34.72	(57.61)	(84.00)							
3133XWNB1		09/28/11	06/12/15	1,500,000.00	1,606,845.00	1,577,705.45	1,600,816.50	23,111.05	0.00	3,593.75	13,057.29	1.79	0.92	
FHLB					0.00	(2,369.07)	(1,947.00)							
3135G0ML4	Call	07/16/12	07/16/15	2,500,000.00	2,500,000.00	2,500,000.00	2,501,747.50	1,747.50	0.00	1,354.17	3,385.42	2.79	0.65	
FNMA			01/16/13		0.00	0.00	(130.00)							
3134G3MK3	Call	02/24/12	02/24/16	2,000,000.00	2,010,200.00	2,007,130.23	2,013,370.00	6,239.77	0.00	1,666.67	2,055.56	2.24	0.74	
FHLMC			02/24/14		0.00	(418.61)	(1,510.00)							
3136FT3C1	Call	03/05/12	12/05/16	2,000,000.00	1,996,500.00	1,996,923.39	2,018,110.00	21,186.61	0.00	1,666.66	6,444.44	2.23	1.04	
FNMA			03/05/14		0.00	60.49	(654.00)							
3136FTM30	Call	02/15/12	02/15/17	2,000,000.00	2,000,000.00	2,000,000.00	2,003,638.00	3,638.00	0.00	833.34	1,277.78	2.23	0.50	
FNMA			02/15/13		0.00	0.00	(452.00)							
<b>TOTAL (U.S. Instrumentality)</b>					20,500,000.00	20,674,970.00	20,615,537.46	20,686,356.00	70,818.54	11,250.00	18,072.93	52,088.55	23.07	
						34.72	(6,306.21)	(9,689.00)						

**Corporate**

87244EAC6		02/24/11	10/10/12	950,000.00	1,012,443.50	950,946.11	950,855.95	(90.16)	0.00	4,057.29	23,126.56	1.13	1.04
TIAA Global Markets					0.00	(3,153.72)	(3,268.95)						
64952WAJ2		07/19/10	10/16/12	1,000,000.00	1,086,950.00	1,001,590.55	1,001,803.00	212.45	0.00	4,375.00	24,062.50	1.21	1.30
New York Life Global					0.00	(3,181.10)	(3,705.00)						
36962G3K8		01/18/08	10/19/12	1,000,000.00	1,032,300.00	1,000,334.91	1,002,212.00	1,877.09	0.00	4,375.00	23,625.00	1.15	4.49
GE Capital					0.00	(558.18)	(3,514.00)						
36962G4X9		02/02/12	01/07/14	1,500,000.00	1,531,845.00	1,520,913.81	1,527,534.00	6,620.19	0.00	2,625.00	7,350.00	1.71	0.99
GE Capital					0.00	(1,355.10)	(2,197.50)						
931142DA8		07/26/11	04/15/14	1,000,000.00	1,020,000.00	1,011,287.73	1,018,459.00	7,171.27	0.00	1,354.17	7,493.06	1.14	0.88
Wal-Mart					0.00	(603.62)	(1,029.00)						
478160AX2		05/20/11	05/15/14	1,000,000.00	998,830.00	999,366.21	1,014,731.00	15,364.79	0.00	1,000.00	4,533.33	1.11	1.24
Johnson & Johnson					0.00	32.18	(818.00)						
36962GX41		12/14/11	06/09/14	750,000.00	818,760.00	796,647.75	811,139.25	14,491.50	0.00	3,531.25	13,183.33	0.91	1.86
GE Capital					0.00	(2,271.81)	2,956.50						

**City of Menlo Park  
Securities Held  
September 30, 2012**

CUSIP/ Description	Purchase Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost/ Accrued Interest Purchased	Amortized Cost/ Accretion (Amortization)	Fair Value/ Change In Fair Value	Unrealized Gain (Loss)	Interest Received	Interest Earned	Total Accrued Interest	% Port Cost	Yield
713448BX5 PEPSICO Inc	09/21/12	0.750	03/05/15	1,000,000.00	1,005,430.00	1,005,369.33	1,006,354.00	984.67	0.00	208.34	541.67	1.12	0.53
					333.33	(60.67)	924.00						
36962G4P6 GE Capital	09/21/12	1.073V	09/23/15	725,000.00	724,369.98	724,375.72	723,061.35	(1,314.37)	2,116.28	219.90	172.87	0.81	1.10
					0.00	5.74	(1,308.63)						
594918AG9 MICROSOFT CORP	07/26/11	1.625	09/25/15	1,000,000.00	1,003,400.00	1,002,432.72	1,037,494.00	35,061.28	8,125.00	1,354.16	270.83	1.12	1.54
					0.00	(67.02)	146.00						
084670BD9 Berkshire Hathaway	02/02/12	1.900	01/31/17	1,500,000.00	1,528,050.00	1,524,330.49	1,553,437.50	29,107.01	0.00	2,375.00	4,829.17	1.70	1.51
					0.00	(461.10)	(4,132.50)						
<b>TOTAL (Corporate)</b>				<b>11,425,000.00</b>	<b>11,762,378.48</b>	<b>11,537,595.33</b>	<b>11,647,081.05</b>	<b>109,485.72</b>	<b>10,241.28</b>	<b>25,475.11</b>	<b>109,188.32</b>	<b>13.12</b>	
					333.33	(11,674.40)	(15,947.08)						

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<b>GRAND TOTAL</b>				<b>89,130,939.31</b>	<b>89,631,883.63</b>	<b>89,368,376.90</b>	<b>89,598,368.86</b>	<b>229,991.96</b>	<b>25,241.28</b>	<b>61,577.99</b>	<b>213,898.74</b>	<b>100.00</b>	
					<b>368.05</b>	<b>(14,765.06)</b>	<b>(26,425.58)</b>						

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 2012**

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<b><u>LAIF</u></b>												
	Cash and Equivalents	0.377	01/30/3100				45,470,641.14	45,470,641.14	50.73	45,470,641.14	50.75	0.00
	Cash and Equivalents	0.377	01/30/3100				231,548.17	231,548.17	0.26	231,548.17	0.26	0.00
<b>ISSUER TOTAL</b>							45,702,189.31	45,702,189.31	50.99	45,702,189.31	51.01	0.00
<b><u>FNMA</u></b>												
3135G0EQ2	U.S. Instrumentality	1.000	11/07/2014	11/07/2012	AA+	Aaa	3,000,000.00	3,000,000.00	3.35	3,001,806.00	3.35	0.11
3135G0ML4	U.S. Instrumentality	0.650	07/16/2015	01/16/2013	AA+	Aaa	2,500,000.00	2,500,000.00	2.79	2,501,747.50	2.79	0.30
3135G0HC0	U.S. Instrumentality	0.625	01/30/2015	01/30/2013	AA+	Aaa	2,000,000.00	2,003,600.00	2.24	2,002,922.00	2.24	0.34
3136FTM30	U.S. Instrumentality	0.500	02/15/2017	02/15/2013	AA+	Aaa	2,000,000.00	2,000,000.00	2.23	2,003,638.00	2.24	0.38
3136FT3C1	U.S. Instrumentality	1.000	12/05/2016	03/05/2014	AA+	Aaa	2,000,000.00	1,996,500.00	2.23	2,018,110.00	2.25	1.42
3136G0KG5	U.S. Instrumentality	0.625	06/04/2015	06/04/2014	AA+	Aaa	2,000,000.00	2,001,400.00	2.23	2,005,562.00	2.24	1.67
3139A3G5	U.S. Instrumentality	1.500	09/08/2014		AA+	Aaa	1,500,000.00	1,535,565.00	1.71	1,530,750.00	1.71	1.92
<b>ISSUER TOTAL</b>							15,000,000.00	15,037,065.00	16.78	15,064,535.50	16.81	0.77
<b><u>T-Note</u></b>												
912828QL7	U.S. Treasury	0.750	03/31/2013		AA+	Aaa	1,000,000.00	998,671.88	1.11	1,002,969.00	1.12	0.50
912828PL8	U.S. Treasury	0.750	12/15/2013		AA+	Aaa	2,000,000.00	1,985,781.25	2.22	2,012,968.00	2.25	1.21
912828RB8	U.S. Treasury	0.500	08/15/2014		AA+	Aaa	1,000,000.00	1,003,046.88	1.12	1,004,883.00	1.12	1.87
912828QX1	U.S. Treasury	1.500	07/31/2016		AA+	Aaa	1,000,000.00	1,022,968.75	1.14	1,040,312.00	1.16	3.73
<b>ISSUER TOTAL</b>							5,000,000.00	5,010,468.76	5.59	5,061,132.00	5.65	1.72
<b><u>GE Capital</u></b>												
36962G3K8	Corporate	5.250	10/19/2012		AA+	A1	1,000,000.00	1,032,300.00	1.15	1,002,212.00	1.12	0.06
36962G4X9	Corporate	2.100	01/07/2014		AA+	A1	1,500,000.00	1,531,845.00	1.71	1,527,534.00	1.70	1.26
36962GX41	Corporate	5.650	06/09/2014		AA+	A1	750,000.00	818,760.00	0.91	811,139.25	0.91	1.61
36962G4P6	Corporate	1.073	09/23/2015		AA+	A1	725,000.00	724,369.98	0.81	723,061.35	0.81	2.93
<b>ISSUER TOTAL</b>							3,975,000.00	4,107,274.98	4.58	4,063,946.60	4.54	1.33
<b><u>FHLB</u></b>												
3133XW7L7	U.S. Instrumentality	1.500	01/16/2013		AA+	Aaa	2,000,000.00	2,020,860.00	2.25	2,007,634.00	2.24	0.30
3133XWNB1	U.S. Instrumentality	2.875	06/12/2015		AA+	Aaa	1,500,000.00	1,606,845.00	1.79	1,600,816.50	1.79	2.60
<b>ISSUER TOTAL</b>							3,500,000.00	3,627,705.00	4.05	3,608,450.50	4.03	1.32

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 2012**

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<b><u>KELLS FUNDING LLC</u></b>												
48802WNH7	Commercial Paper	0.000	10/15/2012		A-1+	P-1	3,000,000.00	2,992,542.50	3.34	2,999,769.00	3.35	0.00
<b>ISSUER TOTAL</b>							3,000,000.00	2,992,542.50	3.34	2,999,769.00	3.35	0.00
<b><u>FHLMC</u></b>												
3134G3MK3	U.S. Instrumentality	1.000	02/24/2016	02/24/2014	AA+	Aaa	2,000,000.00	2,010,200.00	2.24	2,013,370.00	2.25	1.39
<b>ISSUER TOTAL</b>							2,000,000.00	2,010,200.00	2.24	2,013,370.00	2.25	1.39
<b><u>STANDARD CHARTERED BANK</u></b>												
85324TME3	Commercial Paper	0.000	12/14/2012		A-1+	P-1	2,000,000.00	1,989,280.00	2.22	1,998,480.00	2.23	0.00
<b>ISSUER TOTAL</b>							2,000,000.00	1,989,280.00	2.22	1,998,480.00	2.23	0.00
<b><u>Berkshire Hathaway</u></b>												
084670BD9	Corporate	1.900	01/31/2017		AA+	Aa2	1,500,000.00	1,528,050.00	1.70	1,553,437.50	1.73	4.15
<b>ISSUER TOTAL</b>							1,500,000.00	1,528,050.00	1.70	1,553,437.50	1.73	4.15
<b><u>Rabobank USA</u></b>												
74977KL80	Commercial Paper	0.000	11/08/2012		A-1+	P-1	1,500,000.00	1,496,304.58	1.67	1,499,611.50	1.67	0.00
<b>ISSUER TOTAL</b>							1,500,000.00	1,496,304.58	1.67	1,499,611.50	1.67	0.00
<b><u>MICROSOFT CORP</u></b>												
594918AG9	Corporate	1.625	09/25/2015		AAA	Aaa	1,000,000.00	1,003,400.00	1.12	1,037,494.00	1.16	2.93
<b>ISSUER TOTAL</b>							1,000,000.00	1,003,400.00	1.12	1,037,494.00	1.16	2.93
<b><u>Wal-Mart</u></b>												
931142DA8	Corporate	1.625	04/15/2014		AA	Aa2	1,000,000.00	1,020,000.00	1.14	1,018,459.00	1.14	1.52
<b>ISSUER TOTAL</b>							1,000,000.00	1,020,000.00	1.14	1,018,459.00	1.14	1.52
<b><u>Johnson &amp; Johnson</u></b>												
478160AX2	Corporate	1.200	05/15/2014		AAA	Aaa	1,000,000.00	998,830.00	1.11	1,014,731.00	1.13	1.61
<b>ISSUER TOTAL</b>							1,000,000.00	998,830.00	1.11	1,014,731.00	1.13	1.61

**City of Menlo Park**  
**GASB 40 - Deposit and Investment Risk Disclosure**  
**September 30, 2012**

CUSIP	Type	Coupon	Maturity Date	Call Date	S&P Rating	Moody Rating	Par Value / Shares	Historical Cost	% Portfolio Hist Cost	Market Value	% Portfolio Mkt Value	Weighted Avg Mkt Dur (Yrs)
<b><u>PEPSICO Inc</u></b>												
713448BX5	Corporate	0.750	03/05/2015		A-	Aa3	1,000,000.00	1,005,430.00	1.12	1,006,354.00	1.12	2.41
<b>ISSUER TOTAL</b>							1,000,000.00	1,005,430.00	1.12	1,006,354.00	1.12	2.41
<b><u>New York Life Global Funding</u></b>												
64952WAI2	Corporate	5.250	10/16/2012		AA+	Aaa	1,000,000.00	1,086,950.00	1.21	1,001,803.00	1.12	0.05
<b>ISSUER TOTAL</b>							1,000,000.00	1,086,950.00	1.21	1,001,803.00	1.12	0.05
<b><u>TIAA Global Markets</u></b>												
87244EAC6	Corporate	5.125	10/10/2012		AA+	Aa1	950,000.00	1,012,443.50	1.13	950,855.95	1.06	0.03
<b>ISSUER TOTAL</b>							950,000.00	1,012,443.50	1.13	950,855.95	1.06	0.03
<b><u>Int Receivable</u></b>												
	Cash and Equivalents	0.000	10/01/2012				3,750.00	3,750.00	0.00	3,750.00	0.00	0.00
<b>ISSUER TOTAL</b>							3,750.00	3,750.00	0.00	3,750.00	0.00	0.00

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<b>GRAND TOTAL</b>	<b>89,130,939.31</b>	<b>89,631,883.63</b>	<b>100.00</b>	<b>89,598,368.86</b>	<b>100.00</b>	<b>0.54</b>
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Highlighted totals are issuers representing 5.00% or more of the portfolio's market value



**City of Menlo Park  
Securities Purchased  
September 1, 2012 - September 30, 2012**

CUSIP/Description	Purchase Date	Rate/Coupon	Maturity/Call Date	Par Value/Shares	Unit Cost	Principal Cost	Accrued Interest Purchased	Yield
<b><u>Cash and Equivalents</u></b>								
LAIF - City 98-19-228	09/27/2012	0.377V		700,000.00	100.000	700,000.00	0.00	0.38
<b>TOTAL (Cash and Equivalents)</b>				<b>700,000.00</b>		<b>700,000.00</b>	<b>0.00</b>	
<b><u>Corporate</u></b>								
36962G4P6 GE Capital	09/21/2012	1.073V	09/23/2015	725,000.00	99.913	724,369.98	2,069.25	1.20
713448BX5 PEPSICO Inc	09/21/2012	0.750	03/05/2015	1,000,000.00	100.543	1,005,430.00	333.33	0.53
<b>TOTAL (Corporate)</b>				<b>1,725,000.00</b>		<b>1,729,799.98</b>	<b>2,402.58</b>	
<b>GRAND TOTAL</b>				<b>2,425,000.00</b>		<b>2,429,799.98</b>	<b>2,402.58</b>	

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Menlo Park**  
**Securities Sold and Matured**  
**September 1, 2012 - September 30, 2012**

CUSIP/ Description	Sale or Maturity Date	Rate/ Coupon	Maturity/ Call Date	Par Value/ Shares	Historical Cost	Amortized Cost at Sale or Maturity / Acct/ (Amort)	Sale/ Maturity Price	Fair Value at Sale or Maturity / Chg.In Fair Value	Realized Gain (Loss)	Accrued Interest Sold	Interest Received	Interest Earned	Yield
<b><u>Cash and Equivalents</u></b>													
LAIF - City 98-19- 228	09/14/2012	0.377V		800,000.00	800,000.00	800,000.00	100.00	800,000.00	0.00	0.00	0.00	0.00	0.38
						0.00		0.00					
LAIF - City 98-19- 228	09/20/2012	0.377V		2,800,000.00	2,800,000.00	2,800,000.00	100.00	2,800,000.00	0.00	0.00	0.00	0.00	0.38
						0.00		0.00					
<b>TOTAL (Cash and Equivalents)</b>				<b>3,600,000.00</b>	<b>3,600,000.00</b>	<b>3,600,000.00</b>		<b>3,600,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
						<b>0.00</b>		<b>0.00</b>					
<b><u>Commercial Paper</u></b>													
74977KJS9 Rabobank USA	09/26/2012	0.000	09/26/2012	1,000,000.00	997,500.00	1,000,000.00	100.00	1,000,000.00	0.00	0.00	0.00	0.00	0.51
						347.22		174.00					
<b>TOTAL (Commercial Paper)</b>				<b>1,000,000.00</b>	<b>997,500.00</b>	<b>1,000,000.00</b>		<b>1,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
						<b>347.22</b>		<b>174.00</b>					
<b>GRAND TOTAL</b>				<b>4,600,000.00</b>	<b>4,597,500.00</b>	<b>4,600,000.00</b>		<b>4,600,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
						<b>347.22</b>		<b>174.00</b>					

V = variable rate, current rate shown, average rate for Cash & Equivalents

**City of Menlo Park  
Transaction Report  
for the period September 1, 2012 - September 30, 2012**

Date	CUSIP	Transaction	Sec Type	Description	Maturity	PAR Value/Shares	Principal	Interest	Transaction Total	Balance
09/08/2012	31398A3G5	Interest	INS	FNMA	09/08/2014	1,500,000.00	0.00	11,250.00	11,250.00	11,250.00
09/14/2012		Sold	CE	LAIF - City 98-19-22		800,000.00	800,000.00	0.00	800,000.00	811,250.00
09/20/2012		Sold	CE	LAIF - City 98-19-22		2,800,000.00	2,800,000.00	0.00	2,800,000.00	3,611,250.00
09/21/2012	36962G4P6	Bought	COR	GE Capital	09/23/2015	725,000.00	724,369.98	2,069.25	(726,439.23)	2,884,810.77
09/21/2012	713448BX5	Bought	COR	PEPSICO Inc	03/05/2015	1,000,000.00	1,005,430.00	333.33	(1,005,763.33)	1,879,047.44
09/23/2012	36962G4P6	Interest	COR	GE Capital	09/23/2015	725,000.00	0.00	2,116.28	2,116.28	1,881,163.72
09/25/2012	594918AG9	Interest	COR	MICROSOFT CORP	09/25/2015	1,000,000.00	0.00	8,125.00	8,125.00	1,889,288.72
09/26/2012	74977KJS9	Maturity	CP	Rabobank USA	09/26/2012	1,000,000.00	1,000,000.00	0.00	1,000,000.00	2,889,288.72
09/27/2012		Bought	CE	LAIF - City 98-19-22		700,000.00	700,000.00	0.00	(700,000.00)	2,189,288.72
09/30/2012		Bought	CE	Int Receivable	10/01/2012	3,750.00	3,750.00	0.00	(3,750.00)	2,185,538.72
09/30/2012	912828QL7	Interest	TSY	T-Note	03/31/2013	1,000,000.00	0.00	3,750.00	3,750.00	2,189,288.72
<b>Portfolio Activity Total</b>									<b>2,189,288.72</b>	

<b>Net Contributions:</b>	<b>0.00</b>
<b>Net Withdrawals:</b>	<b>2,186,381.77</b>

<b>Fees Charged:</b>	<b>2,906.95</b>
<b>Fees Paid:</b>	<b>2,906.95</b>

**City of Menlo Park  
Securities Bid and Offer  
for the period 9/1/2012 - 9/30/2012**

Trans	Settle	Description	Call Date	Broker	Par Value	Discount	Price	YTM/YTC	Competitive Bids
BUY	09/21/2012	GE 0 09/23/2015		JPM	725,000		99.913	0.73	BAML - FHLB 1.625% 11/21/12 @ YTM 0.14 BARC - FNMA 0.5% 05/27/15 @ YTM 0.38
BUY	09/21/2012	PEP .75 03/05/2015		MOR	1,000,000		100.543	0.53	JEFF - FNMA 0.375% 03/16/15 @ YTM 0.35 UBS - FHLMC 0.5% 04/17/15 @ YTM 0.38

**City of Menlo Park  
Upcoming Cash Activity  
for the next 45 days**

Date	Transaction	CUSIP	Description	Coupon	Maturity Date	Next Call Date	Par / Shares	Principal	Interest	Transaction Total
10/02/2012	Bought	36962G5Z3	GE Capital	1.625	07/02/2015		1,013,000.00	(1,032,236.87)	(4,115.31)	(1,036,352.18)
10/10/2012	Maturity	87244EAC6	TIAA Global Markets	5.125	10/10/2012		950,000.00	950,000.00	24,343.75	974,343.75
10/15/2012	Interest	931142DA8	Wal-Mart	1.625	04/15/2014		1,000,000.00	0.00	8,125.00	8,125.00
10/15/2012	Maturity	48802WNNH7	KELLS FUNDING LLC	0.570	10/15/2012		3,000,000.00	3,000,000.00	0.00	3,000,000.00
10/16/2012	Maturity	64952WAJ2	New York Life Global	5.250	10/16/2012		1,000,000.00	1,000,000.00	26,250.00	1,026,250.00
10/19/2012	Maturity	36962G3K8	GE Capital	5.250	10/19/2012		1,000,000.00	1,000,000.00	26,250.00	1,026,250.00
11/07/2012	Interest	3135G0EQ2	FNMA	1.000	11/07/2014	11/07/2012	3,000,000.00	0.00	15,000.00	15,000.00
11/08/2012	Maturity	74977KL80	Rabobank USA	0.490	11/08/2012		1,500,000.00	1,500,000.00	0.00	1,500,000.00

# END OF REPORTS



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For any questions concerning this report please contact accounting either by phone or email to [camreports@cutwater.com](mailto:camreports@cutwater.com).



## ADMINISTRATIVE SERVICES

Council Meeting Date: November 13, 2012

Staff Report #: 12-164

Agenda Item #: I-4

### INFORMATION ITEM: Quarterly Update on Council Goals and Deliverables

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#### BACKGROUND

Council has previously set goals in order to better align staff work plans, Commission work plans, Council priorities and, ultimately, the City budget. In 2009, Council developed a set of three long-term goals with supporting one-year deliverables in a daylong goal setting process that also resulted in a set of high level Council values allowing the organization to better balance both the quality and quantity of work Council desired. In 2010, Council approved a continuation of the three long term goals for two years while the deliverables have continued to be updated annually to provide organizational and budgetary focus.

On January 31, 2012, Council met for a goal setting session which resulted in a 2012 update to the ongoing goal and deliverable worksheet (Attachment A) to include one additional goal and updated deliverables. Subsequently, at the February 28, 2012 Council meeting, Council approved these goals and deliverables and staff proposed a quarterly review of progress. Quarterly reviews occurred in April and July of this year.

This report includes progress on the deliverables through October 31, 2012 and represents the final quarterly report for this year. It is anticipated that Council will schedule a goal setting session for calendar year 2013 in the next couple of months at which a final presentation on these goals could be made.

#### ANALYSIS

Menlo Park is in a unique situation, concurrently managing a number of significant development, zoning and long term planning projects in addition to working on the Council's priorities as expressed in these annual deliverables. Attachment A provides a report to Council on deliverables that are relevant to the four overarching goals. The progress demonstrated by this report is exciting, as is the opportunity to advise the Council and the community on progress to date, on specific tasks.

Notable achievements in the last quarter include significant progress to develop the preliminary draft of the Housing Element, progress on environmental programs, approval of an increase in the Transient Occupancy Tax (TOT) rate for budget sustainability and recruiting for the Business Development Manager position.

### **Council goal setting for 2013**

Staff is suggesting that given the two new Council members and the fact that goals were not set when two new members were added in 2010, the Council dedicate more time to a complete goal setting process this year, over one or two days facilitated by a professional who has experience with area Councils. Staff is suggesting a Council team building and goal-setting session for January 3<sup>rd</sup> and 4<sup>th</sup>.

### **IMPACT ON CITY RESOURCES**

The approval of Council goals and deliverables essentially allocates the resources of the organization toward achievement of those specific outcomes to the extent that resources are available. It assumes that resources may not be available for other work that may be identified by individual Council members during the rest of the year.

### **POLICY ISSUES**

Tracking progress on Council deliverables is consistent with previous Council direction. This report concludes the quarterly reports on goals for 2012. It is assumed that quarterly reports on the new goals developed as a result of the Council's goal setting process in early January will result in a similar reporting mechanism for calendar year 2013.

### **ENVIRONMENTAL REVIEW**

Environmental Review is not required.

Signature on File  
Alex McIntyre  
City 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. 2012 Council Goals and Deliverables Worksheet 11.13.12 Update



Council Goal Deliverables 2012 Update

Ongoing Goal	Proposed 2012 Deliverables (due on or before 1.13)	Progress Report – Nov. 13, 2012
<p><b>1. Vibrant and resilient economy supporting a sustainable budget.</b></p> <p>Promote a desirable level of economic growth to maintain an economically vibrant and sustainable community with a sustainable budget through implementing a comprehensive community supported business development plan for attraction and retention and through finalization of development projects currently in process.</p>	<ul style="list-style-type: none"> <li>• Conduct study session to review plan and confirm priorities                             <ul style="list-style-type: none"> <li>○ Other deliverables to be developed following this meeting</li> </ul> </li> <li>• Continue BD subcommittee meetings                             <ul style="list-style-type: none"> <li>○ Evaluate idea for tech start up incubator w/ VC support</li> <li>○ Continue focus on major property and business owners to ensure business retention</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Study session conducted, priorities discussed. New deliverables and staffing model are being developed</li> <li>• BD subcommittee will meet with local companies once BD Manager is hired</li> <li>• BD Manager position in recruitment – offer expected 12.1.12</li> </ul>
	<ul style="list-style-type: none"> <li>• Complete Facebook Development Agreement</li> </ul>	<ul style="list-style-type: none"> <li>• West Campus approved. East Campus negotiations in process</li> </ul>
	<ul style="list-style-type: none"> <li>• Develop sustainable options for 2012-13 budget</li> <li>• Resolution to place TOT increase on Nov. '12 ballot</li> <li>• Assessment of budget sustainability to Council with 2012-13 budget</li> <li>• Complete sale of Terminal Ave property to Beechwood School</li> </ul>	<ul style="list-style-type: none"> <li>• CM Budget delineated reductions resulting in surplus for 12-13 / budget adopted 6.12</li> <li>• Staff report 12-082 includes assessment of budget sustainability</li> <li>• TOT info item presented 4.17. Measure K approved Nov. 6 by 75% of local voters.</li> <li>• Terminal parcel map recordation anticipated November; closing December.</li> </ul>
	<ul style="list-style-type: none"> <li>• Specific Plan adopted</li> </ul>	<ul style="list-style-type: none"> <li>• Plan approved by Council – 30 day period for referenda and law suits passed 7.13.12. Several projects moving forward</li> </ul>
	<ul style="list-style-type: none"> <li>• WBA Phase 1.2 completed</li> </ul>	<ul style="list-style-type: none"> <li>• To be completed @ conclusion of Specific Plan and Facebook processes</li> </ul>
<p><b>2. Future focused planning and visioning supporting a high quality of life</b></p> <p>Proactively plan for the future direction for the City's growth, development, &amp; public investments by continuing the public outreach process to define values, goals, and policies addressing the community's future vision and updating appropriate planning documents</p>	<ul style="list-style-type: none"> <li>• Prepare a Housing Element, including associated amendments to other elements of the General Plan, and required zoning changes</li> </ul>	<ul style="list-style-type: none"> <li>• Preliminary draft submitted to HCD late October as required.</li> </ul>
	<ul style="list-style-type: none"> <li>• Maintain CIP projects on time and within budget</li> </ul>	<ul style="list-style-type: none"> <li>• CIP underway for FYs 2013-2018</li> <li>• See bi-annual update for project progress</li> </ul>
	<ul style="list-style-type: none"> <li>• Enhance environmental programs</li> <li>• Present to Council draft ordinances for:                             <ul style="list-style-type: none"> <li>○ elimination of plastic bags and polystyrene foodware</li> <li>○ plastic bag ban</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Polystyrene Food Ware ban approved 7. 31</li> <li>• Plastic bag ban Final EIR released. Out-reach underway. Scheduled for Council in January for implementation Spring 2013</li> </ul>

Ongoing Goal	Proposed 2012 Deliverables (due on or before 1.13)	Progress Report – Nov. 13, 2012
<p><b>3. Regional focus creating synergy of efforts on issues of mutual interest</b></p> <p>Provide technical expertise and staff support to Council as they leverage regional partnerships with all levels of government</p>	Support to Council in focusing attention on issues related to BAWSCA	<ul style="list-style-type: none"> <li>Regular attendance at BAWSCA continues</li> </ul>
	Support to Council in focusing attention on issues related to Caltrain	<ul style="list-style-type: none"> <li>High Speed Rail Subcommittee modified by Council to be the Rail Subcommittee to focus on all rail issues</li> </ul>
	Support Council in focusing attention on issues related to SBWMA	<ul style="list-style-type: none"> <li>Regular attendance at SBWMA continues</li> </ul>
	Support Council in focusing attention on issues related to Fire District <ul style="list-style-type: none"> <li>Ensure Emergency Operations Plan remains NIMS compliant</li> <li>Participate in ongoing emergency exercises</li> <li>Take initial steps to develop a Community Disaster Committee</li> </ul>	<ul style="list-style-type: none"> <li>Emergency preparedness study session August 28, 2012 included three options for Council to consider for future efforts</li> <li>Staff providing a NIMS compliant emergency operations plan</li> <li>Staff participating in ICS training</li> <li>In October, prepared scope of work for current duties of Emergency Services Coordinator w duties to enhance operations</li> </ul>
	Support Council in focusing attention on School District issues <ul style="list-style-type: none"> <li>Council approval of Joint Field Use Agreement with MPCSD</li> <li>Resolve issues related to scheduling the PAC</li> </ul>	<ul style="list-style-type: none"> <li>Agreement with MPSCD approved</li> <li>New theater manager hired for PAC – grant program and new users approved by Parks and Rec Commission</li> </ul>
	Support Council in focusing attention on issues related to San Francisquito Creek JPA	<ul style="list-style-type: none"> <li>Funding approved for levee study</li> <li>Funding participation for levee design</li> </ul>
	Support Council in focusing attention on issues related to HSR <ul style="list-style-type: none"> <li>Participate in regular PCC meetings</li> <li>Monitor HSR activities and progress on Program &amp; Project EIRs</li> </ul>	<ul style="list-style-type: none"> <li>Participation in PCC Meetings continuing</li> <li>Continuing participation in Atherton lawsuit</li> <li>Continued Rail Subcommittee meetings</li> </ul>
	Participate in the Grand Blvd Initiative	<ul style="list-style-type: none"> <li>Regular attendance at meetings</li> </ul>
	Support Council in focusing on regional issues considered by CCAG to have an impact on Menlo Park	<ul style="list-style-type: none"> <li>Participate in the CCAG TAC and Board meetings by staff and Council</li> </ul>
<p><b>4. City services reflect an appropriate alignment of resources to services</b></p>	Participate in development of the Sustainable Cities Strategy	<ul style="list-style-type: none"> <li>Staff participating in regular meetings</li> </ul>
	<ul style="list-style-type: none"> <li>Decisions are made on potential new service including Police / City Services Center and Flood Park</li> <li>Confirm that existing services are staffed appropriately (ie NET, Library, new recreation facilities, etc) Consider volunteers</li> <li>Determine efficient ways to increase transparency and communication (ie on-line records and social media)</li> </ul>	<ul style="list-style-type: none"> <li>County retaining Flood Park. Closed session scheduled on Substation 10.30</li> <li>Web site enhanced for easy access to city social media sites, Paperless agendas</li> <li>11.13 agenda item re recreation staffing</li> </ul>



# COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: November 13, 2012  
Staff Report #: 12-175

Agenda Item #: I-5

## **INFORMATION: Update on the Draft Housing Element Submitted to the State Housing and Community Development Department**

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

### **OVERVIEW**

On October 31, 2012, the City of Menlo Park submitted its Draft Housing Element to the State Department of Housing and Community Development in compliance with the Court Order. This commences a 60-day review period by the State. The draft is available on the Housing Element project page and hard copies are available for review at the following City facilities.

- Community Development Office, 701 Laurel Street
- Main Library, 800 Alma Street
- Belle Haven Library, 413 Ivy Drive
- Onetta Harris Community Center, 100 Terminal Avenue
- Senior Center, 110 Terminal Avenue

Members of the public are welcome to submit comments in writing with a deadline of Friday, December 21, 2012 at 5:00 p.m. Based on this feedback, staff will prepare a Final Draft of the Housing Element for consideration by the Housing Commission, Planning Commission and ultimately the City Council in the Spring of 2013.

The Draft Housing Element reflects the Council direction provided on October 23, 2012 with one exception. Based on extensive public comment at the Council meeting of October 30, 2012, staff re-evaluated Implementation Program H3.A related to zoning for an emergency shelter for the homeless in compliance with SB2, which was signed into law in 2007. The law does not obligate the City to fund or construct a homeless shelter.

As a result of the staff re-evaluation, the Draft Housing Element submitted to the State no longer includes specific reference to the Public Facilities zoning district for inclusion of an emergency shelter for the homeless. Instead, the Draft Housing Element discusses the use of a new overlay district to identify the best sites throughout the City regardless of the base zoning district. This change will give the City a little more time to discuss and then decide how best to comply with State law related to emergency homeless shelters. Based on State law, the City will need to adopt a zoning ordinance amendment within one year of adopting the Housing Element. Staff notified the

Council, the subscribers to the Housing Element project page, and the attendees of a “question & answer” meeting held on November 1, 2012 in the Council Chambers of this change. However, due to the imminent submittal deadline for the Draft Housing Element, staff was not able to present the change to the Draft Housing Element to the City Council or public prior to submitting the plan to the State Department of Housing and Community Development. Staff is in the process of preparing frequently asked questions related to the Emergency Shelter requirement and considering a framework for discussing this topic further.

### **Near Term Steps**

The following Commissions are scheduled to review the Draft Housing Element and the associated General Plan Consistency Update as follows:

- **Housing Commission:** Wednesday, December 5 at 5:30 p.m.
- **Environmental Quality Commission:** Wednesday, December 5 at 6:30 p.m. (item will be placed later on the agenda due to preceding Housing Commission meeting)
- **Bicycle Commission:** Monday, December 10 at 7:00 p.m.
- **Transportation Commission,** Wednesday, December 12 at 7:00 p.m.
- **Planning Commission:** Monday, December 17 at 7:00 p.m.
- **Parks & Recreation Commission:** Wednesday, December 19 at 6:30 p.m.

The Housing Element Steering Committee is scheduled to have at least one more meeting in January 2013. At that time, two of the Steering Committee members, Councilmember Cohen and Housing Commissioner Moser, will no longer be serving on the Committee. New appointments to the Steering Committee should be made in December 2012. The City Council should appoint its member on December 11, 2012, and the Housing Commission Chair should appoint its member early in December as well.

Staff is also in the process of determining a schedule for additional community workshops in January 2013.

### **IMPACT ON CITY RESOURCES**

The impacts of the Housing Element Update will be evaluated in a fiscal impact analysis that will be prepared concurrent with the Environmental Assessment. The fiscal impact analysis will identify potential revenue and cost impacts to the City and other districts such as schools and fire of the Housing Element and the General Plan Consistency

Update. Work on the analysis has commenced and is expected to be completed in late January or early February 2013.

## **POLICY ISSUES**

The Housing Element update process will consider a number of policy issues including issues related to the rezoning of properties and increasing of residential densities in the city.

## **ENVIRONMENTAL REVIEW**

Government Code Section 65759 provides that the California Environmental Quality Act (CEQA) does not apply to any action necessary to bring a city's general plan or relevant mandatory elements of the plan into compliance with any court order or judgment under State Housing Element law, but a more truncated Environmental Assessment is required. The content of the Environmental Assessment will substantially conform to the required content for a draft environmental impact report. Work on the analysis has commenced and is expected to be completed in February 2013.

Signature on File  
Justin Murphy  
Development Services Manager

Signature on File  
Arlinda Heineck  
Community Development Director

## **PUBLIC NOTICE:**

Public notification was achieved by posting the agenda, at least 72 hours prior to the meeting, with this agenda item being listed. In addition, the City sent an email update to subscribers to the project page for the proposal, which is available at the following address: <http://www.menlopark.org/athome>. 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 or meetings are scheduled.

**ATTACHMENTS:** None

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