



# CITY COUNCIL SPECIAL AND REGULAR MEETING AGENDA

Tuesday, January 22, 2013  
5:30 P.M.  
701 Laurel Street, Menlo Park, CA 94025  
City Council Chambers

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## 5:30 P.M. STUDY SESSION

SS1. Pension – Understanding the financial impact

## 7:00 P.M. REGULAR SESSION

ROLL CALL – Carlton, Cline, Keith, Ohtaki, Mueller

## PLEDGE OF ALLEGIANCE

## ANNOUNCEMENTS

### A. PRESENTATIONS AND PROCLAMATIONS – None

### B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Library Commission quarterly report on the status of their 2-year Work Plan

B2. Parks and Recreation 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. Initiate the Menlo Park Landscape Assessment District proceedings for fiscal year 2013-14 and adopt a resolution describing the improvements and direct preparation of the Engineer’s Report *(Staff report #13-007)*

D2. Adopt a resolution authorizing the filing of an application for funding assigned to the Metropolitan Transportation Commission (MTC) and commit the necessary matching funds and stating the assurance to complete the 2013-2014 Resurfacing of Federal Aid Routes Project *(Staff report #13-009)*

D3. Waive the second reading and adopt San Mateo County’s reusable bag ordinance by reference by adding Chapter 7.10 [Reusable Bay Ordinance] to Title 7 [Health and Sanitation] of the Menlo Park Municipal Code *(Staff report #13-010)*

D4. Approve increasing the rebate for the Lawn Be Gone Program, direct staff to pursue increasing the rebate cap for commercial and multifamily customers and implement a landscape efficiency assistance planning in next year's fiscal year water conservation budget *(Staff report #13-014)*

D5. Rescind authorization for the City Manager to approve a contract with Akins North America, Inc., and authorize the City Manager to approve a contract with ICF International in the amount of \$194,457 and future augments as may be necessary to complete the environmental review for the project located at 151 Commonwealth Drive and 164 Jefferson Drive *(Staff report #13-012)*

D6. Accept the minutes of the January 8, 2013 City Council meeting *(Attachment)*

**E. PUBLIC HEARINGS - None**

**F. REGULAR BUSINESS**

F1. Adopt a resolution approving a Complete Streets Policy for the City of Menlo Park *(Staff report #13-011)*

F2. Authorize the City Manager to approve an agreement with Infrastructure Engineering Corporation for the Emergency Water Supply Project to proceed with Environmental Review, well design, well construction, and wellhead facilities design at the City's corporation yard by an amount not to exceed \$430,691; and expand public outreach to the Tier 2 and 3 Sites as possible emergency well locations, and include an additional site along Alma Street as a Tier 3 Site *(Staff report #13-016)*

F3. Consider the Term Sheet for the Development Agreement for the Facebook West Campus Project located at the intersection of Bayfront Expressway and Willow Road *(Staff report #13-013)*

F4. Accept the 2012 Advisory Body Attendance Report and discuss the status of recruitments *(Staff report #13-015)*

F5. 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. Accept the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012 *(Staff report #13-008)*

**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**

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## **PUBLIC WORKS DEPARTMENT**

Council Meeting Date: January 22, 2013

Staff Report #: 13-007

Agenda Item #: D-1

**CONSENT CALENDAR: Initiate the Menlo Park Landscape Assessment District Proceedings for Fiscal Year 2013-14 and Adopt a Resolution Describing the Improvements and Direct Preparation of the Engineer's Report**

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### **RECOMMENDATION**

Staff recommends that the City Council initiate the Menlo Park Landscape Assessment District proceedings for Fiscal Year 2013-14 and adopt a resolution describing the improvements and direct preparation of the Engineer's Report.

### **BACKGROUND**

In 1982, the Menlo Park citizens approved Measure N, an advisory measure for the City forming an assessment district to care for the City's street tree infrastructure. The Menlo Park Landscape Assessment District was subsequently formed in 1983.

Prior to 1990, property owners were responsible for all sidewalk and parking strip repair damaged by City street trees. In some cases, the lump-sum cost of removing and replacing the damaged public infrastructure was a financial burden. Thus, in 1990, an additional assessment was established and combined with the Landscape Assessment District to fund the repair of sidewalks and parking strips damaged by City trees. Financing through an assessment, to be levied on an annual basis, was determined to be more cost-effective and less burdensome to property owners than a large lump-sum payment.

In 1998-99, the City reauthorized the Landscape Assessment District through a mailed ballot, as required by Proposition 218. Each year, the City goes through a process to approve the levying of annual Landscape Assessment District assessments. The attached resolution is the first step in the process to establish assessments for the coming fiscal year.

### **ANALYSIS**

#### **Landscape Assessment District Scope of Work**

The scope of work for the Landscape Assessment District has not changed from the Fiscal Year 2012-13 program and includes the following:

- Maintenance and servicing of City street trees, including the cost of repair, removal, or replacement of all or any part thereof;
- Providing for the life, growth, health, and beauty of City landscaping, including cultivation, trimming, spraying, fertilizing, or treating for disease or injury;
- Removal of trimmings, rubbish, debris, and other solid waste, and providing water for the irrigation thereof; and
- The installation or construction, including the maintenance and servicing thereof, of curbs, gutters, sidewalks, and parking strips damaged by City street trees.

**Assessment Engineer**

The first step in the annual Landscape Assessment District proceedings is the preparation of the Engineer’s Report. Staff has selected SCI Consulting Group to complete the engineering work for the FY 2013-14 report. The firm has extensive background knowledge of the City’s Landscape Assessment District, a successful track record with the City preparing the Engineer’s Report since 1998, and experience with Proposition 218 requirements. The scope of services includes identification and verification of parcels within the district, allocation of the estimated cost of improvements and expenses to said parcels, determination of assessment amounts, preparation of assessment rolls, developing the Engineer’s Report, facilitating assessment proceedings, and general project administration.

The schedule for assessment engineering is as follows:

<b>DATE</b>	<b>TASKS</b>
January 2013	Council adopts a resolution initiating the Landscape Assessment District proceedings, describing the improvements, and directs preparation of the Engineer’s Report.
April 2013	Completion and filing of the Engineer’s Report.
May 2013	Council adopts 1) a resolution giving preliminary approval of the Engineer’s Report, and 2) a resolution of intention to order the levy and collection of the annual assessment and scheduling of the public hearing.
June 2013	Council holds a public hearing to consider adoption of a resolution overruling protests, ordering improvements, confirming the assessment diagram, and ordering the levy and collection of assessments.
July 2013	Submittal of assessments to the County Assessor’s Office.
October 2013	City review and confirmation of final levies to be collected by the County.
January 2014	Verification of assessment receipts, levies, and delinquencies.

## **IMPACT ON CITY RESOURCES**

The cost of the assessment engineering services and preparation of the Engineer's Report is \$8,800. There are sufficient funds in the Landscape Assessment District budget to fund this expense.

## **POLICY ISSUES**

The Landscape Assessment District requires an annual review of the levied assessment, in accordance with Proposition 218. The recommendation does not represent any change to existing City policy.

## **ENVIRONMENTAL REVIEW**

An environmental review is not required for this action.

Signature on file  
Eren Romero  
Business Manager

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.

## **ATTACHMENT:**

- A. Resolution

**RESOLUTION NO.**

**RESOLUTION DESCRIBING IMPROVEMENTS AND DIRECTING PREPARATION OF THE ENGINEER'S REPORT FOR THE CITY OF MENLO PARK LANDSCAPE ASSESSMENT DISTRICT FOR FISCAL YEAR 2013 - 2014**

WHEREAS, in 1982, the Menlo Park citizens voted for Measure N, an advisory measure for the City to form an assessment district to care for the City's street tree infrastructure and the Menlo Park Landscape Assessment District was subsequently formed in 1983; and

WHEREAS, prior to 1990, property owners were responsible for all sidewalk and parking strip repair damaged by City street trees; and

WHEREAS, in 1990, an additional assessment was established and combined with the Landscape Assessment District to fund the repair of sidewalks and parking strips damaged by City trees; and

WHEREAS, in 1998-99, the City reauthorized the Landscape Assessment District through a mailed ballot, as required by Proposition 218.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. This Council did, pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2, Division 15 of the Streets and Highways Code of the State of California, conduct proceedings for the formation of the City of Menlo Park Landscaping District and for the levy and collection of assessments for Fiscal Year 1983-1984, and did, on May 10, 1983, pursuant to proceedings duly had, adopt its Resolution No. 3417-F, A Resolution Overruling Protests and Ordering the Formation of an Assessment District and the Improvements and Confirming the Diagram and Assessment.
2. The public interest, convenience, and necessity require, and it is the intention of said Council to undertake proceedings for, the levy and collection of assessments upon the several lots or parcels of land in said District for the construction or installation of improvements, including the maintenance or servicing, or both, thereof for the Fiscal Year 2013-2014.
3. The improvements to be constructed or installed include the maintenance and servicing of street trees, the cost of repair, removal, or replacement of all or any part thereof, providing for the life, growth, health and beauty of public landscaping, including cultivation, trimming, spraying, fertilizing, or treating for disease or injury, the removal of trimmings, rubbish, debris, and other solid waste, and water for the irrigation thereof, and the installation or construction, including the maintenance and servicing thereof, of curbs, gutters, sidewalks, and parking strips.



4. The costs and expenses of said improvements, including the maintenance or servicing, or both, thereof, are to be made chargeable upon said District, the exterior boundaries of which District are the composite and consolidated area as more particularly shown on a map (Exhibit A) thereof on file in the office of the Engineering Division of the City of Menlo Park to which reference is hereby made for further particulars. Said map indicates by a boundary line the extent of the territory included in said District and of any zone thereof and shall govern for all details as to the extent of the assessment district.
5. The Assessment Engineer is hereby directed to prepare and file with said Clerk a report, in writing, referring to the assessment district by its distinctive designation, specifying the fiscal year to which the report applies, and, with respect to that year, presenting the following:
  - a) Plans and specifications of the existing improvements and for proposed new improvements, if any, to be made within the assessment district or within any zone thereof;
  - b) An estimate of the costs of said proposed new improvements, if any, to be made, the costs of maintenance or servicing, or both, thereof, and of any existing improvements, together with the incidental expenses in connection therewith;
  - c) A diagram showing the exterior boundaries of the assessment district and of any zones within said district and the lines and dimensions of each lot or parcel of land within the district as such lot or parcel of land is shown on the County Assessor's map for the fiscal year to which the report applies, each of which lots or parcels of land shall be identified by a distinctive number or letter on said diagram; and
  - d) A proposed assessment of the total amount of the estimated costs and expenses of the proposed new improvements, including the maintenance or servicing, or both, thereof, and of any existing improvements upon the several lots or parcels of land in said district in proportion to the estimated benefits to be received by such lots or parcels of land respectively from said improvements, including the maintenance or servicing, or both, thereof, and of the expenses incidental thereto.
6. The Office of the Engineering Services Manager of said City is hereby, designated as the office to answer inquiries regarding any protest proceedings to be had herein, and may be contacted during regular office hours at the Civic Center Administration Building, 701 Laurel Street, Menlo Park California 94025, or by calling (650) 330-6740.

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 the twenty-second day of January, 2013, 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 twenty-second day of January, 2013.

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Margaret S. Roberts, MMC  
City Clerk



# PUBLIC WORKS DEPARTMENT

Council Meeting Date: January 22, 2013  
Staff Report #: 13-009

Agenda Item #: D-2

**CONSENT CALENDAR: Adopt a Resolution Authorizing the Filing of an Application for Funding Assigned to Metropolitan Transportation Commission and Commit the Necessary Matching Funds and Stating the Assurance to Complete the 2013-2014 Resurfacing of Federal Aid Routes Project**

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## RECOMMENDATION

Staff recommends that the City Council adopt a resolution to authorize the filing of an application for funding from Metropolitan Transportation Commission (MTC), and agree to commit the necessary non-federal matching funds and state the assurance to complete the 2013-2014 Resurfacing of Federal Aid Routes project.

## BACKGROUND

The Moving Ahead for Progress in the 21<sup>st</sup> Century Act was passed by Public Law 112-141 on July 6, 2012 to authorize the various federal funding programs including, but not limited to Federal Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement (CMAQ) and Transportation Alternative (TA).

Funds can be used to rehabilitate pavement segments with a Pavement Condition Index (PCI) below 70. Where pavement segments have a PCI of 70 or above, funds are eligible for preventive maintenance. Funds may also be used on non-pavement activities such as rehabilitation or replacement of storm drains, curbs, gutters, culverts, safety features, signals, signage, sidewalks and features that bring the facilities to current standards.

On November 24, 2012, the City/County Association of Governments (C/CAG) staff informed the City of Menlo Park that in order to be eligible for STP/CMAQ funds, and as required by MTC, the City Council must adopt a resolution of local support and assurance to complete the project.

To obtain the STP/CMAQ funds, the funding sources require a local match of at least 11.47%. The STP/CMAQ fund amount to be allocated to Menlo Park is approximately \$427,000. In addition to the local support, City Council must also adopt a Complete Streets Local Policy. The Complete Streets Local Policy is also on the January 22, 2013, Council agenda for consideration. Lastly, in order to program these funds, the City must also have a certified housing element. Staff anticipates the housing element certification will be completed to satisfy this requirement.

## **ANALYSIS**

By authorizing the filing of an application and adopting the resolution to complete the 2013-2014 Resurfacing of Federal Aid Routes project, the funds assigned to MTC will be programmed into a comprehensive listing of surface transportation capital projects that can receive federal funds. The comprehensive listing is known as the Transportation Improvement Program (TIP). Once programmed into the TIP, staff will develop and implement the project. Staff will develop and design the project in Fall of 2013, will advertise the project for construction in Spring of 2014 and begin construction in Summer of 2014.

The STP/CMAQ funds must be used on federally eligible streets only. Staff reviewed all the federal highway streets located within Menlo Park and identified the streets with low PCI values. Based on the streets with low PCI values the project may include sections of the following streets: Haven Avenue, Chilco Street, Hamilton Avenue, Bay Road, Middlefield Road, Woodland Avenue, University Drive and Olive Street. Further analysis of these streets is needed to finalize the project list and scope. However, the resurfacing work for the final streets selected will include pavement base repairs, edge and conform grinds, 2-inch asphalt overlay, curb and gutter, concrete improvements and accessibility ramp improvements to comply with Americans with Disability Act (ADA) where needed.

## **IMPACT ON CITY RESOURCES**

Funding breakdown for the project is as follows:

STP/CMAQ Funds:	\$ 427,000
Non-Federal Match - City Match	<u>\$ 106,750</u>
Total Project Funds	\$ 533,750

The minimum City match required is 11.47%, however staff recommends including a 25% City match. Staff recommends a 25% City match to prepare construction plans, reports, documents, and additional coordination that is required by Caltrans. Federal-aid projects are generally more time consuming because they require more administrative procedures. The local match will come from the CIP Street Resurfacing program funds already in the CIP budget.

Once the STP/CMAQ funds are allocated for the City Menlo Park use and the project construction is underway, we will then invoice Caltrans and receive the STP/CMAG funds in the form of a reimbursement.

## **POLICY ISSUES**

There are no policy issues associated with this staff report.

## ENVIRONMENTAL REVIEW

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

Signature on file  
Michel Jeremias  
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.

### ATTACHMENT:

- A. Resolution

**RESOLUTION NO.**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AUTHORIZING THE FILING OF AN APPLICATION FOR FUNDING ASSIGNED TO METROPOLITAN TRANSPORTATION COMMISSION AND COMMIT TO NECESSARY MATCHING FUNDS AND STATING THE ASSURANCE TO COMPLETE THE 2013-2014 RESURFACING OF FEDERAL AID ROUTES PROJECT**

WHEREAS, the City of Menlo Park herein referred to as Menlo Park is submitting an application to the Metropolitan Transportation Commission (MTC) for \$427,000 in funding assigned to MTC for programming discretion, including but not limited to federal funding administered by the Federal Highway Administration (FHWA) such as Surface Transportation Program (STP) funding, Congestion Mitigation and Air Quality Improvement (CMAQ) funding and/or Transportation Alternatives (TA) funding (herein collectively referred to as Regional Discretionary Funding) for the 2013-14 Resurfacing of Federal Aid Routes herein referred to as Project for the One Bay Area Grant Program – Local Streets and Roads Preservation herein referred to as program; and

WHEREAS, the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (Public Law 112-141, July 6, 2012) and any extensions or successor legislation for continued funding (collectively, MAP 21) authorize various federal funding programs including, but not limited to the Surface Transportation Program (STP) (23 U.S.C. § 133), the Congestion Mitigation and Air Quality Improvement Program (CMAQ) (23 U.S.C. § 149) and the Transportation Alternatives Program (TA) (23 U.S.C. § 213); and

WHEREAS, state statutes, including California Streets and Highways Code 182.6 and 182.7 provide various funding programs for the programming discretion of the Metropolitan Planning Organization (MPO) and the Regional Transportation Planning Agency (RTPA); and

WHEREAS, pursuant to MAP-21, and any regulations promulgated thereunder, eligible Project sponsors wishing to receive federal funds for a Project shall submit an application first with the appropriate MPO for review and inclusion in the MPO's Transportation Improvement Program (TIP); and

WHEREAS, MTC is the MPO and RTPA for the nine counties of the San Francisco Bay region; and

WHEREAS, MTC has adopted a Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) that sets out procedures governing the application and use of federal funds; and

WHEREAS, Menlo Park is an eligible sponsor for Regional Discretionary Funding; and

WHEREAS, as part of the application for Regional Discretionary Funding, MTC requires

a resolution adopted by the responsible implementing agency stating the following:

1. The commitment of any required matching funds of at least 11.47%; and
2. That the sponsor understands that the Regional Discretionary Funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded with additional Regional Discretionary Funding; and
3. That the Project will comply with the procedures, delivery milestones and funding deadlines specified in the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised); and
4. the assurance of the sponsor to complete the Project as described in the application, and if approved, as included in MTC's federal Transportation Improvement Program (TIP); and
5. that the Project will comply with all Project-specific requirements as set forth in the Program; and
6. that the Project (transit only) will comply with MTC Resolution No. 3866, revised, which sets forth the requirements of MTC's Transit Coordination Implementation Plan to more efficiently deliver transit Projects in the region.

NOW, THEREFORE, BE IT RESOLVED that Menlo Park is authorized to execute and file an application for funding for the Project for Regional Discretionary Funding under MAP-21 for continued funding; and

BE IT FURTHER RESOLVED that the City of Menlo Park by adopting this resolution does hereby state that:

1. Menlo Park will provide \$106,750 in matching funds; and
2. Menlo Park understands that the Regional Discretionary Funding for the Project is fixed at the MTC approved programmed amount, and that any cost increases must be funded by the applicant from other funds, and that applicant does not expect any cost increases to be funded with additional Regional Discretionary Funding; and
3. Menlo Park understands the funding deadlines associated with these funds and will comply with the provisions and requirements of the Regional Project Funding Delivery Policy (MTC Resolution No. 3606, revised) and Menlo Park has, and will retain the expertise, knowledge and resources necessary to deliver federally-funded transportation Projects, and has assigned, and will maintain a single point of contact for all FHWA-funded transportation projects to coordinate within the agency and with the respective Congestion Management Agency (CMA), MTC, Caltrans and FHWA on all communications, inquires or issues that may arise during the federal programming and delivery process for all FHWA-funded transportation projects implemented by Menlo Park; and
4. Project will be implemented as described in the complete application and in this resolution and, if approved, for the amount approved by MTC and programmed in the federal TIP; and
5. Menlo Park and the project will comply with the requirements as set forth in MTC programming guidelines and Project selection procedures for the Program; and

6. Menlo Park (for a transit Project only) agrees to comply with the requirements of MTC's Transit Coordination Implementation Plan as set forth in MTC Resolution 3866, revised; and

BE IT FURTHER RESOLVED that Menlo Park is an eligible sponsor of Regional Discretionary Funding funded Projects; and

BE IT FURTHER RESOLVED that Menlo Park is authorized to submit an application for Regional Discretionary Funding for the Project; and

BE IT FURTHER RESOLVED that there is no legal impediment to Menlo Park making applications for the funds; and

BE IT FURTHER RESOLVED that there is no pending or threatened litigation that might in any way adversely affect the proposed Project, or the ability of Menlo Park to deliver such Project; and

BE IT FURTHER RESOLVED that Menlo Park authorizes its City Manager, or designee to execute and file an application with MTC for Regional Discretionary Funding for the Project as referenced in this resolution; and

BE IT FURTHER RESOLVED that a copy of this resolution will be transmitted to the MTC in conjunction with the filing of the application; and

BE IT FURTHER RESOLVED that the MTC is requested to support the application for the PROJECT described in the resolution and to include the Project, if approved, in MTC's federal TIP.

I, Margaret S. Roberts, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty-second day of January, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-second day of January, 2013.

Margaret S. Roberts, MMC  
City Clerk





## PUBLIC WORKS DEPARTMENT

Council Meeting Date: January 22, 2013  
Staff Report #: 13-010

Agenda Item #: D-3

**CONSENT CALENDAR:** Waive the Second Reading and Adopt San Mateo County's Reusable Bag Ordinance by Reference by Adding Chapter 7.10 [Reusable Bag Ordinance] to Title 7 [Health and Sanitation] of the Menlo Park Municipal Code

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### RECOMMENDATION

Staff recommends that the City Council waive the second reading and adopt San Mateo County's Reusable Bag Ordinance by reference by adding Chapter 7.10 to Title 7 [Health and Sanitation] of the Menlo Park Municipal Code (Attachment A and B).

### BACKGROUND

In March 2012, Council held a study session to consider regulating disposable carryout bags at retail establishments. Council was generally supportive of partnering with San Mateo County to develop a regional ordinance and Environmental Impact Report (EIR). The EIR included 23 other cities in San Mateo and Santa Clara counties that expressed interest in regulating carryout shopping bags. San Mateo County's Board of Supervisors certified the EIR on October 23, 2012 and adopted the ordinance on November 6, 2012. This allowed partnering cities to consider and use the EIR to adopt San Mateo County's ordinance by reference in their jurisdiction.

Following a six-month community engagement process in Menlo Park, City Council held a public hearing on January 8, 2013 to consider the EIR findings and introduce San Mateo County's Reusable Bag Ordinance for implementation in Menlo Park. Council voted to introduce the ordinance in Menlo Park under the condition that the City Attorney add language stating that any changes to the County's ordinance would need to be approved by City Council to become effective in Menlo Park. This language has been added to the ordinance.

During the meeting, Council Members had questions regarding the use of biodegradable bags, monitoring effectiveness of the ordinance and fee increase, and the cost to rescind or make changes to the ordinance. These issues have been further evaluated by staff and are explained in the "Analysis" section of this report.

A second reading is required to adopt the ordinance.

## **ANALYSIS**

Adopting the San Mateo County Reusable Bag Ordinance by reference in Menlo Park would:

- Prohibit distribution of carryout plastic bags by all retail businesses (excludes restaurants, take-out food establishments, or any other business that receives 90% of its revenue from the sale of prepared food to be eaten on or off premises, and “protective” plastic or paper bags without handles for meat, fresh produce, prepared food, and prescription medication).
- Require retail establishments to charge customers a minimum of 10 cents (increasing to 25 cents on January 1, 2015) for every paper bag and reusable bag provided to customers at the point of sale. A customer could avoid the charge by bringing their own bag to shop. Paper bags must also to contain at least 40 percent post-consumer recycled content.
- Provide for fines for noncompliance which would consist of \$100 for a first violation, \$200 for a second, \$500 for the third violation with each day constituting a violation.
- Take effect April 22, 2013 (Earth Day) to allow for businesses to use up their existing inventories and continue increasing awareness among customers about the change.

### **Biodegradable or Compostable Bags**

Staff contacted Dean Peterson, Director of Environmental Health Department for San Mateo County and project manager of the regional Reusable Bag Ordinance, regarding the exclusion of biodegradable bags from the ordinance. Mr. Peterson stated that allowing the use of biodegradable bags was initially explored. However, it was identified early on that biodegradable bags end up as litter, and would still have similar negative impacts as plastic bag litter.

In order for the bags to degrade, it requires a highly controlled environment, such as a municipal composting facility. When the bags are found in the environment as litter, the breakdown time is extended, and can still clog stormdrains, contaminate water quality, and harm wildlife. One of the goals of the County’s ordinance is to reduce stormwater pollution by shifting consumer behavior towards reusable bags that would assist in reducing disposable bag litter. This would also help cities and counties meet State stormwater permit requirements to reduce trash in stormdrains by 40% by 2014.

Also, there is no federal, state, or local regulation or standard on the production of biodegradable bags. A manufacturer can claim that a product is biodegradable, but unless it has either a BPI (Biodegradable Product Institute) or an ASTM (American Society for Testing and Materials) certification, there is no guarantee on the product’s performance or breakdown time. This creates market confusion for consumers and business owners. It would also make enforcement and education difficult if included in the Reusable Bag Ordinance as Menlo Park’s compost facilities only accept BPI certified products for composting, and distinguishing between a BPI certified and non-certified bag would be time consuming to monitor and educate retailers. The certified

products are more expensive than paper products. In addition, if these bags are placed in the single stream recycling program (plastic, metal, and paper) by residents or businesses, it is considered contamination, which lowers the market value of recyclables.

If biodegradable bags were included in Menlo Park's ordinance, there would be less consistency throughout the region as other cities have committed to or already have adopted the County's ordinance. The California Grocers' Association provided strong support for the County's ordinance under the premise that a regional ordinance would create consistency and less confusion for its stores and customers on following differing regulations between cities and counties.

In addition, the City would also be responsible for enforcing and providing education for this aspect of the ordinance, which would require additional staff resources and an increase to the Solid Waste Management operating budget. It would also limit Menlo Park's ability to claim credit towards new State stormwater permit requirements to reduce trash in stormdrains by 40% by 2014, and would require the City to find other measures to meet this mandate. Based on this analysis, it is not recommended that biodegradable bags be included in Menlo Park's ordinance at this time.

### **Monitoring the Effectiveness of the Ordinance and Fee Increase**

Staff will monitor the effectiveness of the ordinance by incorporating it into the annual update to Council on the City's Climate Action Plan Strategies and Greenhouse Gas Inventory. The next update will be presented in March 2014, which will be before the 25 cent increase on paper bags on January 1, 2015.

### **Cost to Rescind or Make Changes to Ordinance**

The cost for the County to prepare the Environmental Impact Report (EIR) was \$53,000 not including County or City staff time. Staff contacted Rincon Consultants who prepared the EIR to inquire about the cost to make changes to the ordinance and EIR. Minor additions to the ordinance would likely result in filing an addendum and conducting public outreach; this would result in a cost lower than the County EIR, but no specific estimate is provided at this time. The cost to rescind the ordinance would involve more work and the costs would likely be lower than but closer to the County EIR cost, depending on the results and outreach process.

### **Next Steps**

If the Council adopts the ordinance as proposed, the City's Environmental Program staff and County Health staff will coordinate education and outreach efforts to inform Menlo Park retailers and consumers about the new carryout bag requirements and compliance date. The County will offer, upon request, retailer toolkits that consist of posters and tent cards to help inform and transition consumers (Attachment C). Environmental Program staff will also assist in distributing retailer kits, and continue to provide outreach about the effective date of the ordinance through solid waste billing inserts, website updates,

press releases, newsletter articles, and tabling events. In addition, City staff will provide free reusable bags to retailers and residents through July 1, 2013.

## **IMPACT ON CITY RESOURCES**

By adopting San Mateo County's Reusable Bag Ordinance by reference, the City will save staff time and resources because the County's Environmental Health Department will provide outreach and enforcement to retailers in Menlo Park at no cost to the City. Staff time for supplemental outreach has been included in the Fiscal Year 2012-2013 Solid Waste Management operating budget. Ongoing costs to the City are expected to be minimal.

## **POLICY ISSUES**

Adopting the proposed Reusable Bag Ordinance would set a new policy for the community, and would not conflict with any existing policy, goals, or priorities. It would assist the City in meeting State stormwater permit requirements, greenhouse gas reductions relating to the City's Climate Action Plan, and overall waste reduction efforts.

## **ENVIRONMENTAL REVIEW**

The Reusable Bag Ordinance is subject to the California Environmental Quality Act (CEQA), and requires preparation and certification of a Program Environmental Impact Report (Program EIR). San Mateo County acted as the lead agency and prepared and certified a Program EIR that analyzed the environmental effects of a Reusable Bag Ordinance in a study area that consisted of 24 jurisdictions, including Menlo Park, within San Mateo and Santa Clara Counties. Each of these jurisdictions are considered a responsible agency under CEQA.

Pursuant to Section 15096 of the CEQA Guidelines, the City of Menlo Park may act as a responsible agency and rely upon the Final Program EIR prepared and certified by the County on October 23, 2012 when considering adoption of San Mateo County's Reusable Bag ordinance in Menlo Park, as the proposed ordinance is the same ordinance included in the Final Program EIR. Should Council make changes to the proposed ordinance, such changes may trigger the need for further CEQA review that would not be funded by the County.

On January 8, 2013, the City Council found the Program EIR prepared by San Mateo County to be adequate for the City of Menlo Park to adopt the County's Reusable Bag Ordinance by reference. The ordinance included findings required under CEQA Guidelines Section 15096.

Signature on file  
Rebecca Fotu  
Environmental Programs Manager

Signature on file  
Charles 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. Reusable Bag Ordinance
- B. San Mateo County Reusable Bag Ordinance
- C. Materials For Retailers to Notify Residents of Ordinance Requirements and Effective Date

**ORDINANCE NO.**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ADDING SECTION 7.10 [REUSABLE BAG ORDINANCE] TO TITLE 7  
[HEALTH & SANITATION] OF THE MUNICIPAL CODE**

WHEREAS, single-use carryout bags constitute a high percentage of litter, which is unsightly, costly to clean up, and causes serious negative environmental impacts; and

WHEREAS, the City of Menlo Park has a substantial interest in protecting its residents and the environment from negative impacts from plastic carryout bags; and

WHEREAS, on October 23, 2012 the Board of Supervisors for the County of San Mateo ("County") approved a Program Environmental Impact Report ("Program EIR") and adopted an ordinance banning single-use carryout bags from stores, while requiring stores that provide reusable bags to charge customers ten cents (\$.10) per bag; and

WHEREAS, the County's ordinance encouraged cities and towns within and neighboring the County to adopt similar ordinances and the County's Program EIR specifically analyzed the possibility of 24 cities (18 cities within San Mateo County, including the City of Menlo Park, and 6 cities in Santa Clara County) adopting the County's ordinance within their own jurisdictions; and

WHEREAS, the City intends this ordinance to fall within the scope of the County's Program EIR and has, therefore, modeled this ordinance on the County's ordinance.

NOW, THEREFORE, the City Council of the City of Menlo Park does **ORDAIN** as follows:

Section 1: AMENDMENT OF CODE. Menlo Park's Municipal Code is hereby amended to add Chapter 7.10 Reusable Bag Ordinance to Title 7 Health & Sanitation to read as follows:

**Chapter 7.10  
REUSABLE BAG ORDINANCE**

Sections:

7.10.010. Adoption of the San Mateo County Code Chapter 4.114 by Reference

7.10.020. Authorization of Enforcement by San Mateo County Personnel

**7.10.10. Adoption of the San Mateo County Code Chapter 4.114 by Reference**

Chapter 4.114 “Reusable Bags” of Title 4 “Sanitation and Health” of the San Mateo County Ordinance Code, and any amendment thereto approved by the Menlo Park City Council, is hereby adopted in its entirety by reference and made effective in the City. Certified copies of Chapter 4.114 of Title 4, as adopted hereby, have been deposited with the City Clerk, and shall be at all times maintained by the City Clerk for use and examination by the public.

#### **7.10.20. Authorization of Enforcement by San Mateo County Personnel**

The Environmental Health Division of the County of San Mateo is authorized to enforce, on behalf of the City of Menlo Park, Chapter 4.114 “Reusable Bags” of Title 4 “Sanitation and Health” of the San Mateo County Ordinance Code, and any amendments thereto approved by the Menlo Park City Council, within the jurisdiction areas of the City. Such enforcement authority includes, but is not limited to, the authority to hold hearings and issue administrative fines.”

Section 2: SEVERABILITY. If any part of this ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance or the applicability of this ordinance to other situations.

Section 3: ENVIRONMENTAL REVIEW. On October 23, 2012, the County adopted a Program Environmental Impact Report (Program EIR) that analyzed the impacts of this reusable bag ordinance if adopted in cities throughout the County, including the City of Menlo Park, as well as neighboring jurisdictions. The Program EIR was adopted pursuant to the California Environmental Quality Act, Public Resources Code Section 21000 *et seq.* (“CEQA”) and California Code of Regulations, Title 14, Section 15000 *et seq.* (“CEQA Guidelines”). The Program EIR is incorporated by reference herein.

Pursuant to Section 15096 of the CEQA Guidelines, the City of Menlo Park acts as a responsible agency for adoption of this ordinance within the City of Menlo Park. Upon independent review of the Program EIR and all the evidence before it, the City Council makes the following findings:

- 1) The Final Program Environmental Impact Report is complete, correct, adequate, and prepared in accordance with CEQA, 14 California Code of Regulations section 15000 *et seq.*, and the public comment period; and
- 2) On the basis of the Initial Study, Notice of Preparation, Final Program EIR, and public comment received by both the County of San Mateo and the City of Menlo Park, there is no substantial evidence that the project as proposed will have a significant effect on the environment; and
- 3) Adoption of this ordinance and analysis of the EIR reflects the independent judgment of the City Council of the City of Menlo Park; and

- 4) None of the conditions listed in CEQA Guidelines section 15162(a) are applicable to adoption of this Ordinance, and adoption of this Ordinance is an activity that is part of the program examined by the County's Final Program EIR and is within the scope of the project described in the County's Final Program EIR.
- 5) A Notice of Determination shall be filed pursuant to CEQA Guidelines sections 15094 and 15096.

Section 4: EFFECTIVE DATE AND PUBLISHING. This ordinance shall take effect and be in force on April 22, 2013 (Earth Day). Within fifteen (15) days of its adoption this ordinance shall be posted in three (3) public spaces within the City of Menlo Park, and the ordinance or a summary of the ordinance shall be published in a local newspaper used to publish official notices for the City of Menlo Park prior to the effective date.

INTRODUCED on the eighth day of January, 2012.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the twenty-second day of January, 2012, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

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Margaret S. Roberts, MMC  
City Clerk

---

Peter Ohtaki  
Mayor



**ORDINANCE NO. 04637**  
**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO,**  
**STATE OF CALIFORNIA**

\* \* \* \* \*

**ORDINANCE ADDING CHAPTER 4.114 (REUSABLE BAGS) OF TITLE 4**  
**(SANITATION AND HEALTH) OF THE SAN MATEO COUNTY ORDINANCE**  
**CODE RELATING TO REUSABLE BAGS**

The Board of Supervisors of the County of San Mateo, State of California,  
**ORDAINS** as follows

**SECTION 1.** Chapter 4.114 “Reusable Bags,” consisting of Sections 4.114.010 through 4.114.080, of Title 4 of the San Mateo County Ordinance Code is hereby added as follows:

**4.114.010 Findings and purpose**

The Board of Supervisors finds and determines that:

- (a) The use of single-use carryout bags by consumers at retail establishments is detrimental to the environment, public health and welfare.
- (b) The manufacture and distribution of single-use carryout bags requires utilization of natural resources and results in the generation of greenhouse gas emissions.
- (c) Single-use carryout bags contribute to environmental problems, including litter in stormdrains, creeks, the bay and the ocean.
- (d) Single-use carryout bags provided by retail establishments impose unseen costs on consumers, local governments, the state and taxpayers and constitute a public nuisance.

This Board does, accordingly, find and declare that it should restrict the single use carry-out bags

**4.114.020 Definitions**

- A. "Customer" means any person obtaining goods from a retail establishment.
- B. "Garment Bag" means a travel bag made of pliable, durable material with or

without a handle, designed to hang straight or fold double and used to carry suits, dresses, coats, or the like without crushing or wrinkling the same.

C. "Nonprofit charitable reuser" means a charitable organization, as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, or a distinct operating unit or division of the charitable organization, that reuses and recycles donated goods or materials and receives more than fifty percent of its revenues from the handling and sale of those donated goods or materials.

D. "Person" means any natural person, firm, corporation, partnership, or other organization or group however organized.

E. "Prepared food" means foods or beverages which are prepared on the premises by cooking, chopping, slicing, mixing, freezing, or squeezing, and which require no further preparation to be consumed. "Prepared food" does not include any raw, uncooked meat product or fruits or vegetables which are chopped, squeezed, or mixed.

F. "Public eating establishment" means a restaurant, take-out food establishment, or any other business that receives ninety percent or more of its revenue from the sale of prepared food to be eaten on or off its premises.

G. "Recycled paper bag" means a paper bag provided at the check stand, cash register, point of sale, or other point of departure for the purpose of transporting food or merchandise out of the establishment that contains no old growth fiber and a minimum of forty percent post-consumer recycled content; is one hundred percent recyclable; and has printed in a highly visible manner on the outside of the bag the words "Reusable" and "Recyclable," the name and location of the manufacturer, and the percentage of post-consumer recycled content.

H. "Retail establishment" means any commercial establishment that sells perishable or nonperishable goods including, but not limited to, clothing, food, and personal items directly to the customer; and is located within or doing business within the geographical limits of the County of San Mateo. "Retail establishment" does not include public eating establishments or nonprofit charitable reusers.

I. "Reusable bag" means either a bag made of cloth or other machine washable fabric that has handles, or a durable plastic bag with handles that is at least 2.25 mil thick and is specifically designed and manufactured for multiple reuse. A garment bag may meet the above criteria regardless of whether it has handles or not.

J. "Single-use carry-out bag" means a bag other than a reusable bag provided at the check stand, cash register, point of sale or other point of departure, including departments within a store, for the purpose of transporting food or merchandise out of the establishment. "Single-use carry-out bags" do not include bags without handles provided to the customer: (1) to transport prepared food, produce, bulk food or meat from a department within a store to the point of sale; (2) to hold prescription medication dispensed from a pharmacy; or (3) to segregate food or merchandise that could damage or contaminate other food or merchandise when placed together in a reusable

bag or recycled paper bag

#### **4.114.030 Implementation Date**

This Chapter shall not be implemented until April 22, 2013.

#### **4.114.040 Single-use carry-out bag**

A. No retail establishment shall provide a single-use carry-out bag to a customer, at the check stand, cash register, point of sale or other point of departure for the purpose of transporting food or merchandise out of the establishment except as provided in this section.

B. On or before December 31, 2014 a retail establishment may only make recycled paper bags or reusable bags available to customers if the retailer charges a minimum of ten cents.

C. On or after January 1, 2015 a retail establishment may only make recycled paper bags or reusable bags available to customers if the retailer charges a minimum of twenty-five cents.

D. Notwithstanding this section, no retail establishment may make available for sale a recycled paper bag or a reusable bag unless the amount of the sale of such bag is separately itemized on the sale receipt.

E. A retail establishment may provide one or more recycled paper bags at no cost to any of the following individuals: a customer participating in the California Special Supplement Food Program for Women, Infants, and Children pursuant to Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the Health and Safety Code; a customer participating in the Supplemental Food Program pursuant to Chapter 10 (commencing with Section 15500) of Part 3 of Division 9 of the California Welfare and Institutions Code; and a customer participating in CalFresh pursuant to Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the California Welfare and Institutions Code.

#### **4.114.050 Recordkeeping and Inspection**

Every retail establishment shall keep complete and accurate record or documents of the purchase and sale of any recycled paper bag or reusable bag by the retail establishment, for a minimum period of three years from the date of purchase and sale, which record shall be available for inspection at no cost to the County during regular business hours by any County employee authorized to enforce this part. Unless an alternative location or method of review is mutually agreed upon, the records or documents shall be available at the retail establishment address. The provision of false information including incomplete records or documents to the County shall be a violation of this Chapter.

#### **4.114.060 Administrative fine**

(a) Grounds for Fine. A fine may be imposed upon findings made by the Director of the Environmental Health Division, or his or her designee, that any retail establishment has provided a single-use carry-out bag to a customer in violation of this Chapter.

(b) Amount of Fine. Upon findings made under subsection (a), the retail establishment shall be subject to an administrative fine as follows:

- (1) A fine not exceeding one hundred dollars (\$100.00) for a first violation;
- (2) A fine not exceeding two hundred dollars (\$200.00) for a second violation;
- (3) A fine not exceeding five hundred dollars (\$500) for the third and subsequent violations;
- (4) Each day that a retail establishment has provided single-use carry-out bags to a customer constitutes a separate violation.

(c) Fine Procedures. Notice of the fine shall be served on the retail establishment. The notice shall contain an advisement of the right to request a hearing before the Director of the Environmental Health Division or his or her designee contesting the imposition of the fine. The grounds for the contest shall be that the retail establishment did not provide a single-use carry-out bag to any customer. Said hearing must be requested within ten days of the date appearing on the notice of the fine. The decision of the Director of the Environmental Health Division shall be based upon a finding that the above listed ground for a contest has been met and shall be a final administrative order, with no administrative right of appeal.

(d) Failure to Pay Fine. If said fine is not paid within 30 days from the date appearing on the notice of the fine or of the notice of determination of the Director of the Environmental Health Division or his or her designee after the hearing, the fine shall be referred to a collection agency.

#### **4.114.070 Severability**

If any provision of this Chapter or the application of such provision to any person or in any circumstances shall be held invalid, the remainder of this Chapter, or the application of such provision to person or in circumstances other than those as to which it is held invalid, shall not be affected thereby.

#### **4.114.080 Enforcement**

The Environmental Health Division is hereby directed to enforce this Chapter within an incorporated area of the County of San Mateo if the governing body of that incorporated area does each of the following:

(a) Adopts, and makes part of its municipal code:

- (1) Chapter 4.114 of Title 4 in its entirety by reference; or
- (2) An ordinance that contains each of the provisions of this Chapter; and

(b) Authorizes, by ordinance or resolution, the Environmental Health Division to enforce

the provision of the municipal code adopted pursuant to subsection (a) of this section, such authorization to include, without limitation, the authority to hold hearings and issue administrative fines within the affected incorporated area of the public entity.

**SECTION 2.** SEVERABILITY. If any provision(s) of this ordinance is declared invalid by a court of competent jurisdiction, it is the intent of the Board of Supervisors that such invalid provision(s) be severed from the remaining provisions of the ordinance and that those remaining provisions continue in effect.

**SECTION 3.** EFFECTIVE DATE. This Ordinance shall be effective thirty (30) days from the passage date thereof.

\* \* \* \* \*

Regularly passed and adopted this 6<sup>th</sup> day of November, 2012.

*AYES and in favor of said ordinance:*

*Supervisors:*

DAVE PINE

CAROLE GROOM

DON HORSLEY

ROSE JACOBS GIBSON

ADRIENNE J. TISSIER

*NOES and against said ordinance:*

*Supervisors:*

NONE

*Absent Supervisors:*

NONE



Adrienne J. Tissier  
President, Board of Supervisors  
County of San Mateo  
State of California

***Certificate of Delivery***

*I certify that a copy of the original ordinance filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.*



Rebecca Romero  
Deputy  
Clerk of the Board of Supervisors

**Starting April 22, 2013**

**22 de abril 2013**



**No more  
plastic bags.  
No más bolsas  
de plástico.**



**Pay for a  
paper bag.  
Pagar por un  
bolsa de papel.**



**Bring Your  
Own Bag.  
Traiga su  
propio bolso.**



San Mateo County Reusable Bag Ordinance  
[www.smchealth.org/bagban](http://www.smchealth.org/bagban)

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## PUBLIC WORKS DEPARTMENT

Council Meeting Date: January 22,  
2013 Staff Report #: 13-014

Agenda Item #: D-4

**CONSENT CALENDAR:** Approve Increasing the Rebate for the Lawn Be Gone Program, Direct Staff to Pursue Increasing the Rebate Cap for Commercial and Multifamily Customers and Implement a Landscape Efficiency Assistance Planning in Next Fiscal Year's Water Conservation Budget

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### RECOMMENDATION

Staff recommends that Council approve:

1. Increasing the rebate cap for residential to \$3,000 for the Lawn Be Gone program and offering a match this fiscal year (FY 2012-13) to Bay Area Water Supply and Conservation Agency's (BAWSCA) per square foot rebate up to 1,500 square feet for residential and 15,000 square feet for commercial. After the square footage thresholds have been met, the regular BAWSCA rebate would be applied for the remaining square footage converted; and
2. Direct staff to pursue increasing the maximum rebate cap to \$20,000 for multifamily and commercial customers in next fiscal year's (FY 2013-14) Water Conservation Budget; and
3. Direct staff to pursue implementation of a Landscape Efficiency Assistance Planning (LEAP) in conjunction with the Lawn Be Gone Program in next fiscal year's (FY 2013-14) Water Conservation Budget.

### BACKGROUND

In November 2011, Council authorized participation in the BAWSCA's Lawn Be Gone Rebate Program (Attachment A). The program provides an incentive to motivate Menlo Park Water District customers to voluntarily replace their lawn areas with a water efficient landscape using low water use plants and efficient irrigation systems.

Currently, the rebate is \$0.50 per square foot (sf) of lawn replaced with a maximum rebate cap of \$500 for residential and \$3,000 for multifamily and commercial properties. As a participating agency in BAWSCA's Lawn Be Gone Program, the City receives a state grant that covers 74% of the rebate cost. Thus, the Menlo Park Water District only pays a \$0.13/sf rebate to a customer instead of \$0.50/sf rebate.

At the November 2011 Council meeting, staff also provided information about low participation levels in other communities that have been implementing BAWSCA's Lawn Be Gone Program for a year, and stated that the rebate amount could be too low to provide enough incentive for lawn replacement since the average cost for lawn replacement is over \$3.00/sf, and even more for commercial and multifamily properties. Staff stated that participation levels would be monitored in Menlo Park's Water District over the next six months to ensure that Menlo Park meets its water conservation goals outlined in the Urban Water Management Plan approved by Council in June 2011.

The Urban Water Management Plan included providing financial incentives to customers to install water efficient landscapes to meet new state requirements (SBx7-7) to reduce water consumption by 20% by 2020. This specific measure had a participation goal of 400 accounts or 10% of Menlo Park's Water District customers by 2020. This would require at least 50 lawn conversions per year to keep the City's Water District on the path towards meeting SBx7-7 requirements. Since only two applications have been received to date, a new approach to remove some of the barriers to participate is needed.

Based on other communities' experiences and available research, staff found that the current rebate and cap are too low to motivate customers to convert their lawns. In order to increase program participation, staff is recommending that Council approve increasing the rebate for the program and implementing a Landscape Efficiency Assistance Planning (LEAP) to help remove barriers to participating in the program. These measures are similar to rebates and programs offered by other agencies with high participation in lawn conversion programs.

## **ANALYSIS**

### **Increasing BAWSCA's Rebate**

According to an article "Lawns and Water Demand in California" published by the Public Policy Institute of California (2006), California will continue to see an increase in water demand as population growth increases, and reducing water demand for lawns will be necessary to ensure future supplies. Providing a lawn conversion incentive program can have a powerful effect on reducing water consumption. BAWSCA estimates that an average lawn uses approximately 26 gallons of water per square foot per year, and replacing lawns with water conserving plants and irrigation systems would save 19 to 22 gallons per square foot per year. Thus, replacing a 1,000 square foot lawn could save between 19,000 and 22,000 gallons of water per year.

Even with these significant water savings, it can still be challenging to get voluntary participation in a lawn conversion rebate program. One of the reasons for this is that many customers in California still pay a very low rate for water. Thus, the payback from water savings for a lawn conversion project can take 17 years. However, there are other indirect savings to customers, such as lower expenditures on garden supplies and additional savings from lower labor expenditures on garden maintenance. These indirect savings generally have a faster payback period of two to six years, but still may not motivate customers to make the conversion. A high rebate has been found to

increase participation in a lawn conversion program because it helps reduce the payback period for a customer.

The article by the Public Policy Institute found that participation went up dramatically when a lawn conversion rebate increased from \$0.40 to \$1.00 in the Southern Nevada Water Authority. This has also been the case for cities that have doubled their lawn conversion rebates in the Santa Clara Valley Water District (SCVWD). The Santa Clara Valley Water District offers a \$0.75/ sf rebate up to \$2,000 for residential and \$20,000 for a commercial or multifamily property with 5,000 square feet or more of irrigated landscape. Palo Alto has offered to match the SCVWD's rebate, providing a total rebate of \$1.50 per square foot converted up to 1,333 square feet for residential and 13,333 square feet for commercial and multifamily with a cap of \$3,000 for residential and \$30,000 for commercial and multifamily. If a customer exceeds the square footage threshold, such as converting more than 1,333 square feet in a residential project, they would then receive the regular SCVWD rebate (\$0.75) for each additional square foot converted.

Participation levels in Palo Alto have increased with 26 residential projects completed in fiscal year (FY) 2011-12. This success can be compared to San Jose's Water Company that has a much larger customer base with no increase to the SCVWD rebate, and had 30 residential projects in the program. However, in Palo Alto, no commercial or multifamily customers took advantage of the program even with a cap of up to \$30,000. The San Jose Water Company had only two commercial properties use the rebate program in FY 11-12. There are still significant barriers for commercial and multifamily customers to participate in the program.

The recommendation for Council is to follow a similar model to Palo Alto in order to increase participation. This will also have the added effect of having completed projects in the community that can motivate other customers to convert their lawns. Once momentum in the program is gained and Menlo Park is on track in meeting its Urban Water Management Plan's conservation goals, the Council could consider lowering the rebate amount.

BAWSCA is in the process of considering increasing their rebate from \$0.50/sf to \$0.75/sf and increasing the residential cap from \$500 to \$1,000; no cap increase is proposed for commercial or multifamily. However, this is unlikely to be enough for Menlo Park's Water District to meet participation goals of 50 accounts per year outlined in the Urban Water Management Plan. If BAWSCA increases their rebate, the Menlo Park Water District would then offer a \$1.50 rebate per square foot up to 1,500 square feet for residential and 15,000 square feet for commercial. Any square footage converted after these thresholds would receive a \$0.75/sf rebate. If BAWSCA does not increase the rebate, then City's Water District would offer a \$1.00/sf rebate up to the same square footage thresholds, and any amount converted thereafter would receive a \$0.50 rebate. In both scenarios, the maximum amount that could be rebated to a residential customer would be \$3,000 this fiscal year and potentially \$20,000 for commercial and multifamily next fiscal year.

The grant funding for the program would remain unchanged. Menlo Park's Water District would receive \$0.37/sf of lawn replaced from the State. Thus, Menlo Park's Water District would pay either \$0.63/sf if BAWSCA does not change the rebate amount or \$1.13/sf if BAWSCA increases the rebate. Currently, the City is paying \$0.13/sf.

The residential matching rebate and \$3,000 cap would become effective immediately upon Council approval, and be applied to the two previous projects completed in Menlo Park. The commercial and multifamily matching per square foot rebate would also become effective immediately; however, the cap would remain unchanged this fiscal year. Since there has been little participation in the program, there are sufficient funds in the Water Conservation Budget to cover these costs until the end of the fiscal year.

The new commercial and multifamily cap of potentially \$20,000 would be evaluated further by staff to determine a reasonable budget for the expected number of conversions, and if the rebate should be limited to a certain number of participants per year. This will be presented to Council in the proposed FY 2013-14 Water Conservation Budget later this fiscal year.

### **Landscape Efficiency Assistance Planning (LEAP) Program**

Another barrier that exists for customers in converting lawns is knowledge on how to design a water efficient landscape. According to a study conducted by the Long Beach Water Department in 2011, water customers that started the lawn conversion rebate process, but did not complete the project, were surveyed on their reasons. Thirty percent of those surveyed said that it was "too hard to design" while another 50% said that their project was "too time consuming." Both of these challenges can be overcome by implementing a Landscape Efficiency Assistance Planning (LEAP) Program. LEAP eliminates the hurdle for a customer to design the project themselves by using a consultant to provide an informal design and plant list for a customer. Long Beach now offers this type of program in conjunction with their lawn conversion rebate program.

If Menlo Park offered this type of program, a customer could choose from two package options: Basic and Advanced. With a basic package, a customer would receive an informational sketch of the potential changes to the site, showing plant locations and a plant list. The advanced package would include the informational sketch, plant list, information on how to convert the irrigation system to a drip system, and a basic materials list of the irrigation equipment needed.

Each site visit is estimated to cost between \$100 and \$200. The customer would pay a flat fee for the service, such as \$25 for the basic and \$50 for the advanced. The City's Water District would then cover the remaining costs. A customer could receive a full rebate if they complete the conversion project. The City would develop master agreements with qualified landscape design consultants that would allow customers to choose from a pre-qualified list.

If this direction is approved by Council, staff would further evaluate program costs, and incorporate it in the proposed FY 2013-14 Water Conservation Budget for approval by Council later this fiscal year.

## **IMPACT ON CITY RESOURCES**

Since only two projects have been completed to date, there are sufficient funds in the Water Conservation Budget to cover program costs as proposed until the end of the fiscal year. The program budget for the program this fiscal year is \$20,000. Increasing the commercial and multifamily cap and implementing the LEAP program will be evaluated further, and incorporated into the proposed FY 2013-14 Water Conservation Budget for approval by Council later this year.

## **POLICY ISSUES**

The program will assist Menlo Park Municipal Water District in meeting Senate Bill x7-7 requirement to reduce water consumption 20% by 2020. In addition, the Urban Water Management Plan approved by Council in June 2011 directs the City to use a lawn conversion program to reduce water consumption with a participation goal of 400 or 10% of customer accounts by 2020. This requires significant participation in the Lawn Be Gone Program of 50 accounts per year. Since two applications have been received and completed to date, the City is falling behind in meeting this measure. Increasing the rebate amount and providing additional planning assistance will help the City's Water District meet the participation goal.

In addition, implementing the Lawn Be Gone Rebate Program is consistent with the City's General Plan Policy 1-H-1 that encourages community designs that conserve resources and minimize waste, and the City's Climate Action Plan efforts to reduce the amount of energy needed to distribute potable water.

## **ENVIRONMENTAL REVIEW**

None Required.

Signature on File  
Rebecca Fotu  
Environmental Programs Manager

Signature on File  
Charles 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. November 15, 2011 Staff Report



## PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 15, 2011

Staff Report #: 11-194

Agenda Item #: D7

**CONSENT: Authorize Implementation of Lawn Be Gone Rebate Program in Partnership with the Bay Area Water Supply and Conservation Agency (BAWSCA)**

### RECOMMENDATION

Staff recommends that the City Council authorize implementation of the Lawn Be Gone Rebate Program in partnership with the Bay Area Water Supply and Conservation Agency (BAWSCA).

### BACKGROUND

Menlo Park's Water District serves 3,390 single family dwellings and 758 multifamily and commercial accounts. The remainder of residents and businesses in Menlo Park are served by two other water companies with the majority being served by the California Water Service Company (Calwater) and a small population being served by O'Connor Water Company.

Menlo Park Municipal Water District is a member of the Bay Area Water Supply and Conservation Agency (BAWSCA), and through this membership Menlo Park is able to cost effectively participate in well developed regional water conservation programs that focus on a wide range of innovative conservation strategies.

Menlo Park currently participates in the following regional BAWSCA programs:

- \$100 High Efficiency Toilet Rebate Program
- \$125 High Efficiency Wash Machine Rebate Program in partnership with PG&E
- Landscape Audit Program that provides technical assistance to reduce water consumption for customers with large landscapes
- Public Education programs, such as offering Free Water Saving Landscape Classes to the public and school assembly programs

BAWSCA is now offering another water conservation program called "Lawn Be Gone" that is similar to the successful "Cash for Grass" program administered by the Santa Clara Valley Water District. If Council authorizes implementation starting in January 2012, the program will offer residents and businesses a rebate to voluntarily replace their frontage lawns with water efficient landscaping and irrigation systems. The value of

the rebate is \$0.50 per square foot of lawn replaced. The rebate will have a cap of \$500 for residential and \$3,000 for multifamily and commercial properties.

BAWSCA has already been piloting the program with eight other agencies since February 2011. In addition, BAWSCA has received state funding that would cover 74% of the rebate cost so that the City's rebate cost is \$0.13 per square foot replaced instead of \$0.50.

Implementing the Lawn Be Gone Rebate Program is consistent with City Council's 2009 Goals to partner with regional efforts related to water supply and conservation, the City's Climate Action Plan efforts to reduce the amount of energy needed to distribute potable water, and new state requirements (SBx7-7) to reduce water consumption by 20% by 2020. The program funds have already been included in the approved Fiscal Year (FY) 2011-2012 budget, and would not require an increase to the existing program budget. Since the pilot program began earlier this year, staff has received calls from Menlo Park water customers that are interested in participating in the program.

## **ANALYSIS**

According to a 2010 study by the California Homebuilding Foundation, outdoor water use contributes to 58% of a single family home's water consumption (equating to 100,920 gallons of water per year). It is difficult to quantify average outdoor water use for commercial development due to the wide spectrum of water applications for commercial activities and lack of designated landscape water meters. However, a 2003 study by the California Landscape Contractors Association found the average commercial site has 5.7 acres of total landscape with 48% of the area containing lawn and 52% containing other plantings, such as trees, shrubs, and water features.

BAWSCA estimates that an average lawn uses approximately 26 gallons of water per square foot per year, and replacing lawns with water conserving plants would save approximately 19 to 22 gallons per square foot per year of lawn replaced. Thus, replacing a 1,000 square foot lawn could save between 19,000 and 22,000 gallons of water per year.

The Lawn Be Gone program is also consistent with the city's long term water conservation and greenhouse gas reduction strategies. The Climate Action Plan Assessment Report (approved on July 26, 2011) included consideration of a lawn replacement incentive program this fiscal year to reduce greenhouse gas (GHG) emissions that are associated with energy used to distribute potable water. This incentive program was also included in Menlo Park's 2010 Urban Water Management Plan to meet SBx7-7 requirements to reduce water consumption 20% by 2020. In addition, implementing the Lawn Be Gone program will assist Menlo Park in:

- Ensuring a reliable long term water supply through a voluntary program rather than through restrictive policies
- Providing additional habitat by increasing landscape diversity
- Encouraging a cultural shift towards avoiding turf installation in front yards

## **Program Implementation and Funding**

BAWSCA has developed specific guidelines to ensure program integrity and water savings based on the experiences of other Bay Area water agencies that have implemented the program over the past ten years. For example, lawn replacements must be pre and post verified by the agency, be publically visible (backyard replacements are not eligible), use an efficient irrigation system (no overhead spray irrigation system), and 50 percent of the area must be covered with live plantings. See Attachment A for complete requirements and terms.

BAWSCA staff will be responsible for:

- Management and coordination of the program
- Regional promotion
- Obtaining and managing grant funding to offset rebate cost for agencies
- Receiving customer applications, entering data into online system for agency approval and monitoring

City staff will be responsible for:

- Local promotion of the program
- Rebate processing
- Pre and post installation inspections

State grant funding would rebate \$0.37 per square foot of lawn replaced. Thus, Menlo Park would only be responsible for rebating \$0.13 per square foot of lawn replaced. BAWSCA has been piloting the program since the February. However, preliminary results show that participation has been very low except for Alameda County. It is not clear if the rebate amount is too low to provide enough incentive for lawn replacement as the average cost for lawn replacement is \$3.00 per square foot or if program marketing has been minimal.

Staff will monitor participation levels over the next six months to ensure that Menlo Park meets the water conservation goals outlined in 2011 Urban Water Management Plan approved by Council in June. The Urban Water Management Plan included financial incentives to install water efficient landscapes to meet new state requirements (SBx7-7) to reduce water consumption by 20% by 2020. This measure had a penetration goal of 400 accounts by 2020. If the Lawn Be Gone program starts in 2012, an average of 50 accounts would need to participate per year to reach the penetration goal. Staff may request that Council consider increasing the rebate similar to the Santa Clara Valley Water District next fiscal year if participation is low.

Given the current grant opportunities through partnering with BAWSCA and the water savings that can be achieved through the program, staff recommends implementation of this voluntary incentive program to secure future water supplies and to meet state required water reduction targets.



## IMPACT ON CITY RESOURCES

Staff has included \$20,000 for the program in the approved FY 2011-2012 water conservation program budget. In addition, BAWSCA has received state grant funding for the program that would offset \$0.37 of the \$0.50 per square foot rebate amount. Thus, the City would pay 26% or \$0.13 per square foot of lawn replaced.

## POLICY ISSUES

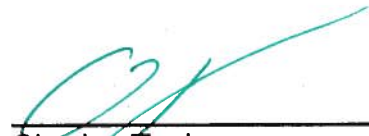
Implementing the Lawn Be Gone Rebate Program is consistent with the City Council's 2009 Goals to partner with BAWSCA on regional efforts, General Plan Policy 1-H-1 that encourages community designs that conserve resources and minimize waste, and the City's Climate Action Plan efforts to reduce the amount of energy needed to distribute potable water. In addition, the program will assist Menlo Park Municipal Water District in meeting Senate Bill x7-7 requirement to reduce water consumption 20% by 2020.

## ENVIRONMENTAL REVIEW

None required.



\_\_\_\_\_  
Rebecca L. Fotu  
Environmental Programs Manager



\_\_\_\_\_  
Charles Taylor  
Interim 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. Lawn Be Gone Terms and Conditions

## ATTACHMENT A : BAWSCA LAWN BE GONE! PROGRAM RULES

The following Terms and Conditions apply to the BAWSCA Lawn Be Gone! Program.

### I. Program Eligibility

- A. **Eligible Applicants:** The Program is available to residential and/or nonresidential customers (Applicants) who purchase water from a participating BAWSCA Member Agency. The Applicant's accounts must be distinctly metered to allow for evaluation of water savings. The Applicant's water account must be in good standing.
- B. **Current Lawn Condition:** Lawn areas to be converted must be maintained and in healthy condition, and be irrigated by a sprinkler system in good working condition. The lawn area must be irrigated with water from the potable water system (i.e., not with private wells or recycled water).
- C. **Current Lawn Location:** Lawn areas to be converted must be front yards or areas visible to the general public from a sidewalk or walkway. No backyards or areas that are not visible to the public are eligible. One of the goals of the BAWSCA Lawn Be Gone! Program is to provide visible examples of water-efficient landscapes to the community.
- D. **Current Lawn Size:** A minimum of 200 square feet of lawn must be converted. Smaller projects will be considered if they eliminate 100% of the front, or publically-visible lawn, on the Applicant's property.
- E. **Pre-Conversion Site Inspection Requirement:** The Program Rebate Application must be submitted to BAWSCA and the Applicant must participate in a Pre-Conversion Site Inspection conducted by, or on behalf of, the participating BAWSCA Member Agency. Lawn removals or conversions that are initiated prior to a Pre-Conversion Site Inspection and the receipt of a Notice to Proceed from a participating BAWSCA Member Agency will not be eligible for this Program.

### II. Landscaping Requirements for Converted Areas

- A. **Fifty Percent (50%) Plant Cover Rule:** The converted area must include a sufficient number of plants to ensure at least 50% of the converted area is covered with plants, when fully grown. Plants outside the converted area are not considered in the plant coverage calculation even if they are adjacent to, or overhanging into, the converted area.
- B. **Plant Type Restrictions:** Plants installed in the converted area must be low water use and adaptable to the local climate. Applicants are encouraged to use native, non-invasive plants. Plants must be listed on the BAWSCA-Approved Plant List, or otherwise demonstrated to be low-water use. For a copy of the BAWSCA-Approved Plant List please visit [www.BAWSCA.org](http://www.BAWSCA.org).
- C. **Impermeable Surfaces:** Impermeable surfaces, such as concrete, that do not allow water to penetrate into the ground, are not allowed as part of the converted area. Permeable hardscape is allowed, however, the 50% Plant Cover Rule still applies to the entire converted area. For clarification as to what qualifies as permeable hardscape, please visit [www.BAWSCA.com](http://www.BAWSCA.com).
- D. **Artificial Turf:** Rebates will not be provided for artificial turf that is installed within the converted area.
- E. **Mulch Requirements:** All planting areas within the converted area must have a minimum of three (3) inches of mulch. Please note that if a weed barrier is used below the mulch, it must be permeable to air and water.
- F. **Efficient Irrigation System Requirements:** An irrigation system is not required in the converted area. An existing sprinkler irrigation system in the converted area must be removed, capped in place, or converted to a low volume drip. A new irrigation system installed in the converted area must be low volume drip, equipped with proper backflow prevention, a rainfall shutoff valve, a pressure regulator, filter and pressure compensating emitters. The irrigation system in the converted area must be in good working order, and free of leaks and malfunctions. If only part of a lawn area is converted, the converted area must be irrigated on a separate valve from the remaining lawn. The sprinkler system for the remaining lawn must be modified to only irrigate the remaining lawn area and may not spray onto the converted area.

### III. Terms of the Rebate

- **Rebate Term:** Lawn Conversion Projects must be completed within three (3) months following receipt of the “Notice to Proceed” from the participating BAWSCA Member Agency. Because the goal of this program is to achieve significant and lasting water savings, the converted area must remain converted for at least three (3) years following receipt of the rebate. An Applicant may be charged for some, or all, of the rebate amount at the discretion of the participating BAWSCA Member Agency if the Applicant does not maintain the converted area in conversion. Notwithstanding the foregoing, this requirement is void upon transfer of ownership.
- **Rebate Amount:** The rebate amount is fifty-cents (\$0.50) per square foot of lawn converted. The maximum rebate for residential single-family sites is \$500 and for multi-family residential and non-residential sites is \$3,000. Once a Lawn Conversion Project has been completed and approved, rebates will be issued to the Applicant. Rebates may be issued in the form of a check or a credit on the Applicant’s water account.
- **Pre-Conversion Site Inspection:** Customers interested in participating in the BAWSCA Lawn Be Gone! Program must first submit an application to BAWSCA, including their proposed plant list for the converted area. The participating BAWSCA Member Agency will then, at the agency’s discretion, accept that application and conduct a Pre-Conversion Site Inspection of the Applicant’s site to measure the proposed conversion area and verify that the Applicant’s proposed Lawn Conversion Project meets the Terms and Conditions. If the Applicant is approved, the participating BAWSCA Member Agency will issue a Notice to Proceed.
- **Post-Conversion Site Inspection:** The Applicant is responsible for notifying the participating BAWSCA Member Agency that the Lawn Conversion Project is complete and for scheduling a Post-Conversion Site Inspection. The participating BAWSCA Member Agency will then conduct the Post-Conversion Site Inspection to verify Program compliance. During the Post-Conversion Site Inspection Applicants are required to provide the following documents:
  - Final list of plants used in the Lawn Conversion Project.
  - Copy of receipts for plants, irrigation equipment, and other direct costs for the Lawn Conversion Project. Note that the rebate will not cover costs associated with labor and equipment rental.

If the Lawn Conversion Project fails the Post-Conversion Site Inspection, the Applicant will be given thirty (30) days, or the remainder of the three (3) month period, whichever is greater, to make the Lawn Conversion Project consistent with the Program Terms and Conditions. Once the Lawn Conversion Project has passed the Post-Conversion Site Inspection, the rebate will be issued to the Applicant. Rebates may be issued in the form of a check or a credit on the Applicant’s water account.

- **Photography:** Photographs and/or video recordings may be taken of the Lawn Conversion Projects by BAWSCA and/or participating BAWSCA Member Agency staff as part of both the Pre- and Post-Conversion Site Inspections. Photographs and/or video recordings will only be taken of areas already visible from a public walkway. By accepting the rebate, the Applicant shall release to BAWSCA and the participating BAWSCA Member Agency, its agents, and employees all rights to exhibit those media in print and electronic form for any purpose in the normal course of business without compensation. The Applicant waives any rights, claims, or interests to control the likeness or identification used in whatever media used. The Applicant’s personal identity shall not be published in any form other than the Applicant’s address.
- **Additional Responsibilities of the Applicant:** BAWSCA and the participating Member Agencies enforce only the Terms and Conditions of this agreement. The Applicant is solely responsible for complying with any and all laws, regulations, policies, conditions, covenants and restrictions that may apply, and for any and all liabilities arising out of a Lawn Conversion Project. Applicants must comply with all local permitting requirements, and with all state and local laws relating to landscape maintenance and compliance with stormwater regulations.
- **Additional Requirements:**
  - Rebates for landscapes in new construction do not qualify.
  - All rebates are subject to availability of funds.
  - Rebates may take up to eight (8) weeks to process after rebate has been approved.
  - If you need your original receipt(s) returned, please enclose a self-addressed, stamped envelope with your application.
  - Applicant certifies, per the signature of the property owner, that necessary permissions have been obtained from the property owner, if applicant is not the property owner.

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# COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: January 22, 2013  
Staff Report #: 13-012

Agenda Item #: D-5

**CONSENT CALENDAR: Rescind Authorization for the City Manager to Approve a Contract with Atkins North America, Inc., and Authorize the City Manager to Approve a Contract with ICF International in the Amount of \$194,457 and Future Augments as may be Necessary to Complete the Environmental Review for the Project Located at 151 Commonwealth Drive and 164 Jefferson Drive**

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## RECOMMENDATION

Staff recommends that the City Council rescind its authorization for the City Manager to approve a contract with Atkins North America Inc., and authorize the City Manager to approve a contract with ICF International in the amount of \$194,457 and future augments as may be necessary to complete the environmental review for the Commonwealth Corporate Center Project based on the proposal included as Attachment A.

## BACKGROUND

On December 11, 2012, the City Council authorized the City Manager to approve a contract with Atkins North America, Inc. (Atkins) in the amount of \$194,457 and future augments as may be necessary to complete the environmental review for the Commonwealth Corporate Center Project. Due to changes in staffing at Atkins, the contract was never executed. The Atkins team members who were assigned to the project have since been employed by ICF International. As such, staff requested a proposal from ICF International to complete the environmental review for the Commonwealth Corporate Center Project. The proposal, which is included as Attachment A, is substantially consistent with the proposal provided by Atkins, inclusive of the budget, and would allow for continuity of consultant staffing for preparation of the required environmental documents for the Commonwealth Corporate Center Project.

## IMPACT ON CITY RESOURCES

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

## **POLICY ISSUES**

The proposed project will ultimately require the Council to consider certain land use entitlements. Staff will be identifying policy issues during the Council's review of the project.

## **ENVIRONMENTAL REVIEW**

An EIR will be prepared for the project.

Signature on file  
Rachel Grossman  
Associate Planner

Signature on file  
Justin Murphy  
Development Services Manager

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

## **ATTACHMENTS**

- A. ICF International Proposal for preparation of an Environmental Impact Report for the Commonwealth Corporate Center Project, dated January 10, 2013

## **BACKGROUND MATERIAL AVAILABLE AT CITY OFFICES**

[Commonwealth Corporate Center, City Council Staff Report dated December 11, 2012](#)

January 15, 2013

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

SUBJECT: Scope of Work and Cost Estimate for Commonwealth Corporate Center Project  
Environmental Impact Report (EIR) Phase II

Dear Ms. Grossman:

ICF is pleased to submit the scope of work and cost estimate to prepare Phase II of the EIR under the California Environmental Quality Act (CEQA) for the proposed Commonwealth Corporate Center Project (Project) in the City of Menlo Park. The proposed project manager is Erin Efner, and this scope of work reflects the Project information provided by Menlo Park staff, knowledge of the area, a site visit under Phase I of the Project, and prior experience with similar projects.

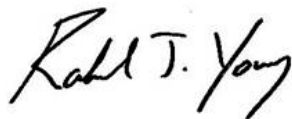
This scope focuses on Phase II of the EIR. Phase I included preliminary EIR Tasks 1, 2 and 3 conducted by Atkins. Phase II includes Tasks 4-13, which represents the bulk of the EIR work, to be conducted by ICF as described in Attachment A. The corresponding cost estimate is included in Attachment B.

We will work closely with City staff to coordinate, direct, and review the work and deliverables included in this scope and performed by other consultants contributing to the EIR as appropriate. This includes DKS for the transportation analysis, Bay Area Economics for the fiscal impact analysis and PreVision Design (formerly Adam Phillips Digital) for the visual simulations. The visual simulations by PreVision Design and preliminary transportation work by DKS are included in the Phase I contract currently held by Atkins. The scope of work for transportation work to be conducted by DKS as part of Phase II is included in Attachment C.

The cost estimate for Phase II is \$194,457 (Attachment B). Please note that project description changes could result in the need for a scope/cost amendment. Additionally, the budget includes a cost estimate for printing. However, due to the uncertainty regarding the size of the document and the potential volumes, we request that the printing budget be used as only an estimate and that, if the estimated budget is exceeded, we reduce the number of hard copies and provide more electronic copies or receive a budget augment.

We look forward to working with you on this project. If you have any questions related to this scope of services or cost estimate, please contact project manager Erin Efner at (415) 205-2268, project director Rich Walter at (415) 677-7167, or me at (415) 677-7144.

Sincerely,



Rahul Young  
Bay Area Branch Leader

Attachments

- A. ICF Scope of Work Phase II
- B. Cost Estimate Phase II
- C. DKS Traffic Analysis Scope



# Attachment A

## Scope of Work Phase II

### Project Understanding and General Approach

The Project includes demolishing the existing structures to construct a corporate center that could include office, Research and Development (R&D), or biotech uses. The Project would include two buildings totaling 259,919 square feet with a maximum height of approximately 72 feet, 4 inches. All parking would be surface, and there would be no underground facilities. Due to the uncertainty, assumptions need to be made for purposes of the analysis. It is recommended that the Draft EIR analyze a conservative scenario for each environmental topic, which may involve assuming different land uses for various environmental topics.

### Scope of Work

#### Task 4. Administrative Draft EIR

The purpose of this task is to prepare the administrative draft EIR. Synthesize background information for use in the existing setting, evaluate changes to those baseline conditions resulting from implementation of the proposed project to identify significant impacts, and identify mitigation measures to reduce potentially significant impacts to a less than significant level.

For this task, there are four principal activities:

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

First, we will develop a project description, in coordination with the City and Project Sponsor, which includes the information necessary to analyze the project and prepare the EIR in compliance with CEQA. It is assumed that the City and/or Project Sponsor will provide the information necessary for analysis. We understand that a data needs request has been submitted as part of Phase I, but we may have additional data requests.

We will collect the information necessary to define baseline conditions in the project area. Based on our understanding of the project and vicinity, particular emphasis will be placed on the project's effect on air quality, traffic and circulation, and visual quality. In addition, for a description of existing conditions, we will use information presented in the approved Menlo Gateway Project EIR and the ongoing Menlo Park Facebook Campus EIR.

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

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

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

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

### Issues Anticipated to be Less Than Significant

To streamline the EIR process, it is anticipated that some environmental topics will not require detailed discussion in the EIR and would be “dismissed”.

Based on our preliminary review, the following environmental topics may be scoped out from detailed analysis in the EIR. However, it may be determined following the site visit, upon receipt of additional information, or in response to NOP comments that one or more of the following topics should instead be analyzed in detail in the EIR, in which case a scope and budget amendment may be necessary.

**Agricultural and Forestry Resources.** ICF will describe existing conditions at the project site, identify General Plan designation and zoning districts, and indicate lack of agricultural and forestry uses at the project site.

**Biological Resources.** It appears that there are no biological resources at the project site. However, this needs to be confirmed with a reconnaissance level of analysis. We will conduct the following tasks:

- Conduct background research to determine the biological resources that could be affected by the proposed project such as special-status species or protected trees. This research will include review of Menlo Park's tree ordinance, the use of the California Department of Fish and Game's Natural Diversity Data Base (CNDDDB), the U.S. Fish and Wildlife Service's Special-Status Species Online Database, and the California Native Plant Society's online inventory. An aerial photograph of the project site will be reviewed to identify areas of habitat types that can later be confirmed through field verification.
- Conduct a site visit to characterize potential special-status plant and wildlife habitats that may be present, and determine if potential wetlands are present on the sites (included in Task 1). A list of plant and wildlife species observed during the survey will be collected and presented in the analysis. Given the developed nature of the project site, it is not expected that wetlands or special-status species will be present; however a site visit will be required to make this determination. Although no species specific surveys are proposed for this scope, if any incidental sightings of special-status species occur during the survey, they will be recorded.
- Evaluate the proposed project's effects on the identified biological resources, and recommend mitigation as warranted. Based on prior experience in the region, and the disturbed nature of the site, we anticipate that the prominent issues for the proposed project will be limited to migratory birds, roosting bats (within the abandoned buildings), and protected trees.

**Land Use.** Land use and planning generally considers the compatibility of a proposed project with neighboring areas, change to, or displacement of existing uses, compliance with zoning regulations, and consistency of a proposed project with relevant local land use policies that have been adopted with the intent to mitigate or avoid an environmental effect. With respect to land use conflicts or compatibility issues, the magnitude of these impacts depends on how a proposed project affects the existing development pattern, development intensity, traffic circulation, noise, and visual setting in the immediately surrounding area, which are generally discussed in the respective sections. The project would require a Conditional Development Permit and zoning amendment to allow for an increase in height but is otherwise consistent with land use designations.

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

- Describe existing land uses, intensities, and patterns in the vicinity of the project site and the compatibility of the proposed land uses and zoning with current development.
- Describe the proposed project's potential to divide an established community.
- Evaluate any potential conflicts between the proposed and current land uses that would result in environmental impacts. These conflicts could include a use that would create a nuisance for adjacent properties or result in incompatibility with surrounding land uses, such as differences in the physical scale of development, noise levels, traffic levels, or hours of operation.
- Evaluate the extent to which adopted City development standards or proposed design standards would eliminate or minimize potential conflicts within the proposed project site, resulting in environmental impacts. The Menlo Park General Plan, Zoning Ordinance and other applicable plans will be examined and the proposed project's consistency with applicable portions of these plans will be described.

**Mineral Resources.** ICF will describe existing conditions at the project site and identify the mineral resources zone classification for soils at the site. It is anticipated that the site does not contain significant mineral resources.

### Aesthetics

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

- Visit the project site and surroundings, to identify and photodocument existing visual character and quality conditions, views to and from the project site, and other urban design features.
- Coordinate with City staff in selecting viewpoints from which Adam Phillips Digital will prepare visual simulations.
- Based on scenic resources and views identified in the Menlo Park General Plan (see below) and visual simulations, analyze potential adverse aesthetic effects resulting from the proposed project. The surrounding sensitive viewer locations that could be affected by the proposed development include Joseph P. Kelly Park.
- Review existing General Plan goals and policies related to visual quality to determine conflicts with any relevant plans and policies.
- Using the visual simulations and field observations, analyze whether the proposed project would substantially degrade the existing visual character or quality of the project area and its surroundings due to grading, height, bulk, massing, architectural style, and building materials, and other site alterations.

- Analyze potential degradation of views from roadways, US 101, adjacent uses, and other sensitive viewer locations.
- Analyze lighting and glare impacts created by the proposed buildings, focusing on motorists on US 101.

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

### Transportation/Traffic

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

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

This scope assumes that the City and Project Sponsor's transportation consultant will provide third party review of the TIA.

### Air Quality

This section will analyze construction-related and operational criteria pollutants using the 2011 Bay Area Air Quality Management District (BAAQMD) CEQA Guidelines, in consultation with the City. In addition, ICF will evaluate the potential for adverse health effects associated with toxic air contaminant (TAC) exposures to sensitive receptors in the vicinity of the project site. ICF will use the Air Quality Screening Analysis<sup>1</sup> which identifies existing sources and potential receptors within 1,000 feet of the proposed project boundaries.

#### 2011 BAAQMD Guidelines

In January 2012, the Superior Court for the Court of Alameda County issued a minute order granting a petition for writ of mandate and determined that BAAQMD failed to

<sup>1</sup> Air Quality Screening Analysis. March 16, 2012. Prepared by Atkins North America, Inc. San Francisco, CA.

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

### Criteria Pollutants

Criteria pollutants are emitted during construction from project-related construction and demolition activities and operation from project operation or implementation.

Construction emissions are produced from both equipment and dust during construction and demolition activities. Emissions typically result from material handling, traffic on unpaved or unimproved surfaces, demolition of structures, removal of debris, use of paving materials and architectural coatings, exhaust from construction worker vehicle trips, and exhaust from diesel-powered construction equipment. The project proposes to construct 259,919 square feet of general office building which is below the 277,000 square feet construction screening level for development projects within the BAAQMD. However, the details of the construction activities are unknown at this time and therefore may exceed some of the criteria anticipated in the screening analysis such as no overlap of any construction phases, extensive site preparation, or extensive material transport. Further the BAAQMD recommends the quantification of construction related emissions for GHG quantification and for the Health Risk Analysis (as discussed in their respective sections below); emissions from construction activities will be included in the emissions inventory for the proposed project. Criteria pollutant emissions associated with the construction activities will be estimated using the CalEEMod model and will be compared to the 2011 BAAQMD-adopted CEQA thresholds of significance. The modeling will include, at a minimum, reductions from the Basic Construction Mitigation Measures that are recommended for all construction activities. Should the project's construction/demolition activities exceed thresholds, mitigation measures will be proposed to reduce emissions to below the thresholds or to the extent practicable.

Operational emissions generated by project implementation are primarily associated with mobile sources; however natural gas usage, landscaping, maintenance, and stationary sources such as emergency generators and boilers also contribute to the emission of criteria air pollutants. The project proposes to construct 259,919 square feet of general office building. While this is below the 346,000 square feet operational screening level for development projects within the BAAQMD, the development may include research and development or biotech facilities and, therefore, do not qualify as normal office use.

A full air quality analysis for operational activities must be quantified<sup>2</sup>. The total criteria pollutant emissions will be estimated using the CalEEMod model and will be compared to the 2011 BAAQMD-adopted CEQA thresholds of significance for daily and annual operational activities. This comparison will serve as the basis for determining if the project would result in a significant adverse impact when compared to the BAAQMD-adopted significance criteria. Should the project's operational activities exceed thresholds, mitigation measures will be proposed to reduce emissions to below the thresholds or to the extent practicable. Area source emissions from individual buildings will be determined based on the land use anticipated. Mobile emissions associated with project-related vehicle operations will use trip rates, vehicle trips, and vehicle trip lengths as identified in the project-specific transportation analysis if available or will use the modeling default assumptions.

For the assessment of CO impacts, we will use the BAAQMD screening-level procedure and data from the transportation and circulation analysis to determine the need for a quantitative CO analysis. If the screening level criteria are exceeded, we will perform localized CO modeling based on methodology contained in the Caltrans Transportation Project-Level Carbon Monoxide Protocol. We will use the CALINE4 model and the latest version of ARB emission factors (EMFAC2011) to estimate CO concentrations at key intersections analyzed in the transportation and circulation analysis. CO concentrations at up to 3 intersections within will be evaluated. CO impacts will be assessed by evaluating whether the proposed project meets the ambient air quality requirements for localized pollutants by determining whether it causes or contributes to an exceedance of state or federal CO standards.

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

### Health Risk Assessment

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

<sup>2</sup> Bay Area Air Quality Management District, CEQA Air Quality Guidelines, Updated May 2011, p. 3-2.

speciation of TOG. The weighted toxicity value will incorporate the individual toxicity of each compound that makes up TOGs.

For construction-related emissions, the determination of health risks is based predominantly on construction equipment exhaust. Typically construction activities considered in HRA assessments include project-related demolition, grading, excavation, infrastructure installation and foundation and structure construction. Construction emissions for diesel related exhaust as determined from the CalEEMod model above will be used to determine the concentration at nearby sensitive receptors. The ISTSC3 model will be used to determine concentrations of DPM and PM2.5 at the nearby receptors. These concentrations will be used to develop specific health risk and PM2.5 concentrations at the nearby receptors. These will be compared to the BAAQMD's thresholds of significance to determine project level impacts.

For operational emissions, the BAAQMD recommends that TAC exposure from existing sources be evaluated to determine health risks associated with locating sensitive receptors within 1,000 feet of existing sources or locating a potential source within 1,000 feet of an existing sensitive receptor. The Air Quality Screening Analysis identifies all existing sources and potential receptors within 1,000 feet of the proposed project boundaries.

The project design includes a back-up generator and, thus, a refined analysis will need to be conducted to determine the risk from the back-up generator. In addition, a caveat will be included in the analysis to determine maximum emissions that can be accommodated onsite before the cumulative threshold is reached, and that future tenants will need to provide permits or individual health risk assessments to prove that operations will not exceed cumulative levels. Should known onsite impacts exceed regulatory thresholds for acceptable levels of risk or PM concentrations, mitigation measures will be proposed to reduce anticipated risk. Airborne concentrations will be estimated for sources using the ISTSC3 dispersion model as recommended by BAAQMD in Recommended Methods for Screening and Modeling Local Risks and Hazards (BAAQMD May 2011). For each of the sources where emissions are exceeded Cancer Risk and PM2.5 emissions will be further modeled in order to show more accurate emissions of both risk categories.

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

Based on the results of the screening level analysis for stationary and mobile sources,



quantitative estimates will be determined for cumulative excess lifetime cancer risks, non-cancer HIs, and PM2.5 concentrations associated with potential exposure for on-site and off-site receptors as applicable for each study area.

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

### Greenhouse Gas Emissions

The greenhouse gas (GHG) emissions and climate change analysis will discuss the potential impacts on the study areas from climate change, as well as the projects anticipated emissions of greenhouse gases. This section will examine potential impacts to the study area, construction-related emissions, and operational emissions.

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

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

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

For operational emissions, emissions of carbon dioxide equivalents (CO<sub>2</sub>e) will be estimated using the CalEEMod model. The model will use default energy consumption and waste generation assumptions unless project specific data is provided by the project applicant. The total greenhouse gas emissions estimates will be compared to the 2011 BAAQMD-adopted CEQA thresholds of significance for greenhouse gas emissions. This comparison will serve as the basis for determining if the project would result in a

significant adverse impact and whether features of project design are adequate to reduce emissions or if additional mitigation measures would be required to reduce impacts to below significance thresholds. Project design features or mitigation will be applied to reduce GHG emissions to the BAAQMD threshold or to the furthest extent possible.

## Noise

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

- Summarize the existing noise environment for the project area and related environmental noise impacts. The analysis will provide existing conditions information and relevant background information, including noise fundamentals, descriptors, and applicable federal, state, and City of Menlo Park General Plan Noise Element. Federal Transit Administration (FTA) standards do not apply to this project and will not be discussed, nor will the project be evaluated using FTA noise criteria.
- Existing noise conditions will be quantified through ambient noise measurements consisting of a maximum of two site visits and the measurement of on-site and off-site ambient noise levels (up to four short-term [i.e., 15-minute] with vehicle counts and one long-term [i.e., 24-hour]). All monitoring locations will be approved by the City.
- Based on comments received from the Menlo Park Planning Commission during the NOP scoping session on August 20, 2012, ICF will conduct additional noise measurements in the residential neighborhood to the south of US 101 and the project site. ICF will analyze the impact of the proposed new buildings and if they would create bounce-back noise from the traffic on US 101 to the residential neighborhood. An analysis of noise reflection will be included.
- Assess the potential short-term, construction-related exterior and interior noise impacts (e.g., on-site heavy-duty equipment) with respect to nearby noise-sensitive receivers. Project-generated noise levels at these receivers will be quantified using the reference noise measurement data along with standard noise modeling practices (e.g., combined construction noise level, acceptable assumptions regarding exterior-to-interior noise reduction due to building façade).
- Quantify potential transportation noise source increases (e.g., increased traffic Jefferson Drive) generated by the proposed project. Traffic noise modeling will be based on average daily traffic (ADT) volumes obtained from the transportation impact study that will be prepared for this project.<sup>3</sup> A Federal Highway

<sup>3</sup> ADT may instead be generated using the CalEEMod model that will be used for the Air Quality analysis.

Administration-approved traffic noise prediction model (e.g., RD-77-108) will be used to determine roadway traffic noise levels with adjustments to account for California Vehicle Noise Emission (CALVENO) factors for standard automobiles, medium trucks, and heavy trucks. Traffic noise levels will be quantified for affected roadway segments under existing, existing-plus-project, cumulative, and cumulative-plus-project scenarios. The EIR will determine if modeled increases to roadway noise levels would considerably affect existing noise-sensitive land uses. Modeled cumulative-plus-project traffic noise levels will be used to determine future interior and exterior noise levels on the project site.

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

## Cultural Resources

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

- Conduct records search of the Northwest Information Center (NWIC) to identify any previously recorded cultural resources and cultural resource investigations within 0.25 miles of the project site.
- Conduct records search of the Native American Heritage Commission (NAHC) sacred lands database to determine if any Native American cultural resources are present in the vicinity of the project site. Local Native American organizations and individuals identified by NAHC will also be contracted regarding information on potential Native American resources in the project vicinity. The EIR will summarize any responses related to this effort. We assume that no issues will arise.
- Site visit by architectural historian to evaluate existing structures.
- Conduct archival research on history of site.
- Prepare brief memo summarizing the historical determination of significance in accordance with the CEQA Guidelines. This scope assumes there will be no historical resources.
- Standard mitigation measures for archaeological or paleontological resources will be identified.

## Geology/Soils

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

- Review the Geotechnical Report to be provided by the Project Sponsor.  
  
Report the type and magnitude of seismic activity typical in the San Francisco Bay Area, the standards to be met by proposed structures to resist damage during seismic events, and design features to be incorporated in the proposed project to comply with those standards.
- Evaluate the geohazard risks from development at the project site, using available geologic and/or soils maps, published literature, and other information, reports, and/or plans. The main issue that will be analyzed is the seismic and geotechnical safety of the proposed buildings.

- Assess potential project geohazard impacts in light of existing regulations and policies that would serve to minimize potential impacts. Pertinent regulatory requirements will be explicitly identified so that the nexus between regulations and minimized impacts is apparent. In general, construction of development similar to the proposed project has little or no effect on the geology of an area, but is still subject to seismic groundshaking and local soil conditions, including ground oscillation and long-term and differential settlement. Standard design and construction techniques and compliance with City standards (including applicable portions of the California Building Code and the National Pollutant Discharge Elimination System [NPDES]) typically eliminate or minimize seismic and geotechnical hazards.

### Hydrology/Water Quality

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

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

### Hazards and Hazardous Materials

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

System (EMI), ERNS, and San Mateo County Business Inventory (BI). Based on information provided in the Phase I ESA, ICF will conduct the following tasks:

- Identify potential exposure to hazardous materials or waste during construction activities and during long-term operation at the project site.
- Describe applicable federal, State, and local regulations and how these regulations apply to the proposed project and reduce the potential for impact.

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

### Population/Housing

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

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

### Public Services

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

- As necessary, conduct phone/email interviews with the City’s police, fire, and park and recreation departments, the school district, and the library to determine current service levels and capacity to serve increased demand.
- Estimate project-generated demand for public services based on existing operational standards obtained from the service providers. Other measures of demand will also be considered, such as the projected increase in the calls for service and the projected demand of recreational facilities and library services.
- In accordance with CEQA, evaluate the extent to which project demands would trigger the need for new public facilities whose construction might result in physical environmental effects.

## Utilities/Service Systems

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

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

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

### ***Deliverables:***

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

***City Involvement:*** Review and comment on the document.

## Task 5. Project Alternatives and Other CEQA Considerations

The purpose of this task is to complete drafts of the remaining sections (Alternatives and Other CEQA Considerations) of the EIR for City staff review.

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

### Other CEQA Considerations

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

- The unavoidable effects will be summarized from analyses performed in Task 4.

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

### Alternatives

The alternatives to the proposed project must serve to substantially reduce impacts identified for the proposed project while feasibly attaining most of the project objectives. ICF assumes that one reduced project alternative will be quantitatively analyzed and will be based on a sensitivity analysis to reduce identified impacts. Up to two additional alternatives will be defined and evaluated qualitatively. This scope assumes that the City/Project Sponsor will provide justification for dismissing offsite alternatives.

#### **Deliverables:**

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

**City Involvement:** Participate in discussions to develop list of projects for cumulative analysis and project alternatives. Review and augment the alternatives analysis.

### Task 6. Screencheck Draft

The purpose of this task is to prepare the Screencheck Draft EIR for City staff review. ICF will prepare a Screencheck Draft EIR to respond to the City's and Project Sponsor's comments on the Administrative Draft EIR. This scope assumes that comments from multiple reviewers will be consolidated with any conflicting comments resolved, and that comments do not result in substantial revisions or additional analyses. The Screencheck Draft EIR will include an Executive Summary section, which will summarize the project description, impacts and mitigations, and alternatives. Impacts and mitigations will be presented in a table that identifies each impact, its significance, and proposed mitigation as well as the level of significance following adoption for the mitigation measures.

#### **Deliverables:**

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



**City Involvement:** Review and comment on the document.

## Task 7. Public Draft EIR

The purpose of this task is to prepare and submit the Draft EIR to the City for distribution to the public. ICF will revise the Screencheck Draft to incorporate modifications identified by the City and Project Sponsor. The revised document will be a Draft EIR, fully in compliance with State CEQA Guidelines and City guidelines, and will be circulated among the public agencies and the general public as well as specific individuals, organizations, and agencies expressing an interest in receiving the document. During this task, ICF will also compile the appendices that will be distributed with the Draft EIR and produce a version of the full document that can be uploaded onto the City's website. ICF will also prepare a Notice of Completion (NOC) to accompany the copies that must be sent to the State Clearinghouse. This scope of work and budget assumes that ICF will send the required documents to the State Clearinghouse and that the City will distribute the Draft EIRs to all other recipients.

**Deliverables:**

- Thirty five hard copies of the Draft EIR
- Two unbound hard copies of the Draft EIR
- Electronic copies of the Draft EIR in MS Word and in PDF format
- Notice of Completion
- Fifteen hard copies of the Executive Summary, along with 15 electronic copies of the entire Draft EIR on CD, for the State Clearinghouse

**City Involvement:** Review the Notice of Completion. Prepare and file the Notice of Availability with the County Clerk. Distribute the NOA and Draft EIRs (other than to the State Clearinghouse), and handle any additional noticing (e.g., newspaper, posting at site).

## Task 8. Public Review and Hearing

The City will provide for a 45-day period during which the public will have an opportunity to review and comment on the Draft EIR. During the 45-day review period, the City will hold a public hearing to receive comments on the Draft EIR. ICF key team members will attend and participate as requested. This scope of work does not include preparing meeting materials (e.g., PowerPoint presentations and handouts) or providing meeting transcript/minutes; but the scope can be amended to include these items.

**City Involvement:** Coordinate the public hearing – prepare and distribute any meeting materials, accept comments, and hold public meeting.

## Task 9. Draft Responses to Comments and Administrative Final EIR

The purpose of this task is to prepare responses to the comments received on the Draft EIR, and incorporate these responses into an Administrative Final EIR for City review. The Administrative Final EIR will include:

- Comments received on the Draft EIR, including a list of all commentors and the actual comment letters and public meeting transcripts with individual comments marked and numbered;
- Responses to all comments; and
- Revisions to the Draft EIR in errata format as necessary in response to comments.

All substantive comments for each written and oral comment will be reviewed, bracketed, and coded for a response. Prior to preparing responses, ICF will meet with staff to review the comments and suggest strategies for preparing responses. This step is desirable to ensure that all substantive comments are being addressed and that the appropriate level of response will be prepared. This scope of work and budget assumes ICF will prepare responses for up to 100 comments and will coordinate integrating the responses prepared by other consultants. However, the number and content of public comments is unknown at this time. Therefore, following the close of the Draft EIR public review period and receipt of all public comments, ICF will meet with the City to revisit the budget associated with this effort to determine if additional hours are needed.

Frequently raised comments of a substantive nature may be responded to in a Master Response, which allows for a comprehensive response to be presented upfront for all interested commentors. ICF will identify and recommend possible Master Responses for City consideration during the initial meeting to discuss strategies for preparing responses.

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

Following City's review of the Administrative Final EIR, ICF will address all comments received and prepare a Screencheck Final EIR for City review to ensure that all comments on the Draft were adequately addressed.

***Deliverable:***

- Five hard copies of the Administrative Final EIR and an electronic copy in Word format.
- One electronic copy of the Screencheck Final EIR

***City Involvement:*** Participate in strategy session to provide guidance on the responses to comments. Assist with response to comments on process, procedures, and City policy. Review and comment on the administrative Final EIR and screencheck Final EIR.

## Task 10. Final EIR

The Final EIR will consist of the Draft EIR, comments received on the Draft EIR, responses to the comments, and any revisions to the Draft EIR in errata format. The

purpose of this task is to prepare a Final EIR for discussion by the Planning Commission and subsequent certification by the City Council.

***Deliverables:***

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

## Task 11. Certification Hearings and MMRP

The purpose of this task is to attend meetings to certify the EIR. Team members will attend and participate in up to three meetings to certify the EIR. If requested by City staff, ICF will present the conclusions of the EIR and a summary of the comments and responses.

In addition, as part of this task, ICF will prepare a draft and final Mitigation and Monitoring and Reporting Program (MMRP) for the project, as required by Section 15097 of the State CEQA Guidelines. The MMRP will be in a tabular format and include:

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

***Deliverables:***

- Five hard copies and an electronic copy (in Word format) of the Draft MMRP.
- Five hard copies and electronic copies (in Word and pdf format) of the Final MMRP.

***City Involvement:*** Review and comment on the draft Mitigation and Monitoring and Reporting Program. Coordinate any meetings. Prepare the Notice of Determination and Findings of Fact.

## Task 12. Meetings

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

***City Involvement:*** Organize, announce, conduct, and prepare any materials for public meetings.

### Task 13. Project Management

The purpose of this task is to effectively manage the above tasks, and maintain communication with City staff. ICF project management will be responsible for project coordination activities, will maintain QA/QC requirements for document preparation, and will monitor schedule and performance for all EIR work tasks. Project management subtasks also include maintaining internal communications among ICF staff and subconsultants and with City staff and other team members through emails and frequent phone contact, as well as the preparation of all correspondence. The project manager will coordinate internal staff, project guidance, and analysis criteria.

We understand the Project Sponsor submitted revised site plans on July 23, 2012, and that Atkins reviewed the site plans, provided comments and a data needs list, and started on a draft of the NOP and the Project Description. With submittal of the revised plans, we will review the plans, compare them with the previously-submitted data needs list, revise the NOP, and edit the Project Description.

**City Involvement:** Coordination with ICF Project Manager.

Attachment B

Table 1. Cost Estimate for Preparing a CEQA EIR for Commonwealth Corporate Center Phase II - January 10, 2012

Task	Employee Name	Consulting Staff										Subcontractor			Production Staff				Direct Expenses	Total Price		
		Walter R	Efner E	Chapman K	Yoon L	Kuo K	Grant J	Christensen E	White H	La Plante A	Roberts D	DKS Associates	Traffic	Greenman J	Jew D	Messick T	Editor	Publication Specialist			Graphic Artist	Admin Tech
		Project Director	Project Manager	Project Coordinator, Planner	Air Quality, GHG	Noise, Traffic	Cultural Resources	Biology	GIS	Hydrology, Water Quality	Haz Mat, Geo											
Labor Classification	Proj Dir	Proj Mgr	Assoc Consult II	Assoc Consult II	Sr Consult II	Assoc Consult III	Assoc Consult III	Assoc Consult II	Sr Consult I	Assoc Consult III	Subtotal	Subconsultant	Subtotal	Editor	Publication Specialist	Graphic Artist	Admin Tech	Subtotal	Labor Total			
Task 4. Administrative Draft EIR											\$0.00		\$0					\$0.00	\$0.00			
Impacts Found to be Less Than Significant											\$4,467.44		\$0					\$0.00	\$4,467.44			
Aesthetics		4		16						24	\$2,637.04		\$0					\$0.00	\$2,637.04			
Transportation/Traffic		4							20		\$3,049.84	\$50,488	\$50,488					\$0.00	\$53,537.84			
Air Quality		4			60						\$5,933.44		\$0					\$0.00	\$5,933.44			
Greenhouse Gas Emissions		4			40						\$4,188.24		\$0					\$0.00	\$4,188.24			
Noise		4				40					\$5,401.84		\$0					\$0.00	\$5,401.84			
Cultural Resources		2					40				\$4,762.52		\$0					\$0.00	\$4,762.52			
Geology/Soils		2									\$3,145.88		\$0					\$0.00	\$3,145.88			
Hydrology/Water Quality		4								30	\$4,481.14		\$0					\$0.00	\$4,481.14			
Hazards and Hazardous Materials		2									\$2,679.72		\$0					\$0.00	\$2,679.72			
Population/Housing		2		24							\$2,288.12		\$0					\$0.00	\$2,288.12			
Public Services		3		32							\$3,108.98		\$0					\$0.00	\$3,108.98			
Utilities/Service Systems		3		32							\$3,108.98		\$0					\$0.00	\$3,108.98			
Production		10		20						16	\$4,776.76		\$0	40	20	12	6	\$7,420.56	\$12,197.32			
Task 5. Project Alternatives and Other CEQA Considerations	2	10		30	6	6	4	2		4	\$7,446.12		\$0					\$0.00	\$7,446.12			
Task 6. Screencheck Draft		14		40	8	8	4	2		4	\$9,164.76		\$0	16	10	4		\$2,884.44	\$12,049.20			
Task 7. Prepare Draft EIR		4		16	2	2					\$2,633.44		\$0	8	16	4	8	\$3,291.04	\$5,924.48			
Task 8. Public Review and Hearing	2	8		8							\$2,472.08		\$0					\$0.00	\$2,472.08			
Task 9. Draft Responses to Comments and Administrative Final EIR	4	40		40	8	8	2	2		4	\$14,573.12		\$0	16	16		4	\$3,217.28	\$17,790.40			
Task 10. Final EIR		8		24							\$3,334.88		\$0	10	16		4	\$2,678.36	\$6,013.24			
Task 11. Certification Hearings and MMRP		8		8							\$2,042.08		\$0		8		4	\$1,030.88	\$3,072.96			
Task 12. Meetings	8	16		16							\$5,804.16		\$0					\$0.00	\$5,804.16			
Task 13. Project Management		40		20							\$8,594.40		\$0					\$0.00	\$8,594.40			
Total hours	16	200		350	124	84	50	30	16	42				90	86	20	26					
Billing Rates	\$215.00	\$174.46		\$80.80	\$87.26	\$117.60	\$110.34	\$103.20	\$88.51	\$126.11				\$89.82	\$93.66	\$127.68	\$70.40					
Subtotals	\$3,440.00	\$34,892.00		\$28,280.00	\$10,820.24	\$9,878.40	\$5,517.00	\$3,096.00	\$1,416.16	\$5,296.62	\$7,458.56	\$110,094.98	\$50,488	\$50,488	\$8,083.80	\$8,054.76	\$2,553.60	\$1,830.40	\$20,522.56	\$181,105.54		
<b>Direct Expenses</b>																						
523.02 Reproductions																				\$6,200		
523.04 Postage and Delivery																				\$500		
523.05 Travel, Auto, incld. Mileage at current IRS rate (.555/mile)																				\$50		
523.07 Surveys and Reports																				\$800		
Mark up on all non-labor costs and subcontractors:		10%																		\$5,804		
Direct expense subtotal																				\$13,354		
Total price (before rounding down)																				\$194,459.34		
<b>Total Price</b>																				<b>\$194,457.00</b>		

## Scope of Work – Phase 1

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

### ***Task 1: Data Collection and Field Reconnaissance***

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

#### Intersections:

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

Residential and Non-Residential Roadway Segments:

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

***Field Reconnaissance***

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

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

***Task 2a: Transportation Impact Analysis***

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

**Background Trip Generation and Distribution**

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

**Project Trip Generation and Distribution**

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

September 6, 2012

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

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

### **Study Intersection Traffic Analysis**

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

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

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

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

### **Project Alternatives**

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

### **Arterial and Collector Streets Assessment**

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

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

### **Site Plan and Parking Evaluation**



September 6, 2012

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

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

### **Circulation Element Conformance**

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

### **Pedestrian Conditions, Bicycle Access and Transit Impacts Analysis**

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

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

### **San Mateo County CMP Analysis**

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

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

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

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

### **Planned Transportation Improvements**

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

### **Development of Mitigation Measures**

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

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

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

#### ***Task 6: Meetings (1)***

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

## **BUDGET**

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

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

## **Scope of Work – Phase 2**

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

### ***Task 2: Transportation Impact Analysis***

#### **Background Trip Generation and Distribution**

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

#### **Project Trip Generation and Distribution**

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

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

#### **Study Intersection Traffic Analysis**

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

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

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

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

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

### **Project Alternatives**

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

### **Arterial and Collector Streets Assessment**

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

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

### **Site Plan and Parking Evaluation**

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

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

### **Circulation Element Conformance**

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

### **Pedestrian Conditions, Bicycle Access and Transit Impacts Analysis**

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

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

### **San Mateo County CMP Analysis**

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

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6. US 101: North of Marsh Road (NB)
7. US 101: Marsh Road to Willow Road (SB)
8. US 101: Willow Road to University Avenue (NB)
9. US 101: South of University Avenue (SB)

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

### **Planned Transportation Improvements**

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

### **Development of Mitigation Measures**

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

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

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

### ***Task 3: Two (2) Administrative Draft EIR Chapters***

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

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

September 6, 2012

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

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

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

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

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

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

#### **Task 4: Draft EIR Transportation Chapter**

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

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

#### **Task 5: Final EIR - Response to Comments**

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

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

#### **Task 6: Meetings (3)**

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

September 6, 2012

## **BUDGET**

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

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

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

**Fee Estimate Phase 2**

**Personnel & Hourly Billing Rates**

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





## CITY COUNCIL REGULAR MEETING MINUTES

Tuesday, January 08, 2013 at 7:00 P.M.  
701 Laurel Street, Menlo Park, CA 94025  
City Council Chambers

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Mayor Ohtaki called the meeting to order at 7:02 p.m. with all Council Members present.

### **ANNOUNCEMENTS**

Alex McIntyre, City Manager introduced Jim Cogan the new Economic Development Manager.

### **A. PRESENTATIONS AND PROCLAMATIONS**

There were no presentations made.

### **B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS**

There were no appointments or reports.

### **C. PUBLIC COMMENT #1**

- Barbara Kalt, Peninsula Volunteers spoke in support of Consent Calendar Item D1, Community Funding.
- Sara Larius Mitchell introduced herself and explained the work she is doing through StarVista.

### **D. CONSENT CALENDAR**

**ACTION:** Motion and second (Keith/Cline) to approve the consent calendar as submitted passes unanimously.

- D1.** Adopt **Resolution No. 6119** approving the City Council subcommittee recommendations regarding the allocation of 2012-13 Community Funding in the amount of \$110,000 ([Staff report #13-005](#))
- D2.** Adopt **Resolution No. 6120** authorizing the City Manager to enter into a funding agreement with the San Francisquito Creek Joint Powers Authority (SFCJPA) for \$245,875, the City's portion of local match funding to conduct planning, design, and environmental documentation for the East Palo Alto and Menlo Park Tidal Flood Protection, Ecosystem Restoration, and Recreation Project (Bay Levee Project), between the SFCJPA, East Palo Alto and Menlo Park ([Staff report #13-006](#))
- D3.** Accept minutes of the December 4 and December 11, 2012 City Council meetings ([Attachment](#))

## E. PUBLIC HEARINGS

- E1. Introduce an ordinance adopting San Mateo County's Reusable Bag Ordinance by reference by adding Chapter 7.10 to the Menlo Park Municipal Code and making the finding that the Program Environmental Impact Report prepared by San Mateo County to be adequate for the City of Menlo Park to adopt a reusable bag ordinance ([Staff report #13-001](#))

Staff presentation by Rebecca Fotu, Environmental Programs Manager ([PowerPoint](#))

Mayor Ohtaki opened the Public Hearing at 7:34 p.m.

### Public Comments

- Andria Ventura, Clean Water Action, spoke in support of the ordinance.
- Hank Lawrence spoke in opposition of the ordinance. ([Handout](#))
- Stephen Joseph, Save the Plastic Bag Coalition, spoke in opposition of the ordinance and asked the Council multiple questions. He is opposed to the Council certifying the Environmental Impact Report if they have not read it.
- Don Williams, Stop the Clean Bag Ban, spoke in opposition to the ordinance.
- Douglas Hamilton spoke in opposition of the ordinance.
- Meg Minto spoke in opposition of the ordinance.
- Adina Levin spoke in favor of the ordinance.

**ACTION:** Motion and second (Cline/Keith) to close the Public Hearing at 8:05 p.m. passes unanimously.

**ACTION:** Motion and second (Keith/Cline) to make the finding that the Program Environmental Impact Report prepared by San Mateo County to be adequate for the City of Menlo Park to introduce and adopt a reusable bag ordinance including the findings contained in section 3 of the draft ordinance and introducing an ordinance adopting San Mateo County's Reusable Bag Ordinance by reference by adding Chapter 7.10 with the modification adding the words "approved by the Menlo Park City Council" following "any amendments thereto" on the fourth line of the draft ordinance in Section 7.10.20. passes unanimously.

## F. REGULAR BUSINESS

- F1. Adopt a resolution recognizing the participation of the City of Menlo Park in the San Mateo County Sub-Region for the Regional Housing Needs Allocation process and acceptance of the assigned housing share for the City of Menlo Park for the 2014-2022 Housing Element Planning Period ([Staff report #12-003](#))

Staff presentation by Justin Murphy, Development Services Manager

### Public Comment

- Adina Levin spoke in support of moving forward.

**ACTION:** Motion and second (Keith/Carlson) to approve **Resolution No. 6121** recognizing the participation of the City of Menlo Park in the San Mateo County Sub-Region for the Regional Housing Needs Allocation process and acceptance of the assigned housing share for the City of Menlo Park for the 2014-2022 Housing Element Planning Period passes unanimously.

**F2.** Appoint one Council Member to the Housing Element Steering Committee  
([Staff report #13-002](#))

Staff presentation by Justin Murphy, Development Services Manager

**ACTION:** By acclamation the Council appointed Council Member Carlton to serve on the Steering Committee.

**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

There were no legislative items discussed.

#### **G. CITY MANAGER'S REPORT**

Alex McIntyre, City Manager announced the City Council will be having their annual Goal Setting meeting on February 4, 2013. Wednesday January 16, 2013, the facilitator for the Goal Setting meeting will be in town and will want to meet with each Council Member.

#### **H. WRITTEN COMMUNICATION**

There were no written communications.

#### **I. INFORMATIONAL ITEMS**

**I1.** Belle Haven Visioning Process consultant selection ([Staff report #13-004](#))

#### **J. COUNCILMEMBER REPORTS**

Council members reported in compliance with AB1234 requirements.

#### **K. PUBLIC COMMENT #2**

- Wynn Grcich spoke human exposure to radiation. ([PowerPoint](#))

#### **L. ADJOURNMENT**

The meeting was adjourned at 9:47 p.m.

Margaret S. Roberts, MMC  
City Clerk

Minutes accepted at the Council meeting of

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# PUBLIC WORKS DEPARTMENT

Council Meeting Date: January 22, 2013  
Staff Report #: 13-011

Agenda Item #: F-1

## REGULAR BUSINESS: Adopt a Resolution Approving a Complete Streets Policy for the City of Menlo Park

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### RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving a Complete Streets Policy included as Attachment B.

### BACKGROUND

To receive funding through the One Bay Area Grant program, by January 31, 2013, a jurisdiction must have: 1) either updated its General Plan to comply with the “Complete Streets” Act of 2008 or adopted a “Complete Streets” Resolution; and, 2) have a certified Housing Element. The City is expected to begin the General Plan update next year, but will not be completed for a number of years. The Housing Element is expected to be completed during this fiscal year.

On December 11, 2012, a Study Session for Council Discussion of the MTC Complete Streets Policy was conducted. The purpose of this Study Session was for staff to receive feedback from City Council regarding the approach to a MTC Complete Streets Policy for Menlo Park. Attachment A includes the Staff Report for this Study Session including the attachments.

### ANALYSIS

At the December 11, 2012 Study Session, staff received the following comments from Council. Staff’s responses to these comments are shown below each comment:

- Expressed concern about the flexibility with the policy and that MTC would not accept the City’s changes.

*Staff response: To provide more local control and flexibility, staff recommended in the policy the replacement of several instances of “shall” with “should.”*

- Suggested that the staff’s redlined version of the policy should be modified to include the addition of “significant” in front of “planning” and “construction” on Item 4 of the Complete Streets Principle, the addition of “a timeframe” provision in the Exemptions Section, and addition of an appeals process for the public in the Exemptions section.

*Staff response: These changes have been made to the policy with 10 days of public review and the opportunity to appeal to Council.*

- A question about the potential ramifications that the City could face if the City fails to comply with the Complete Streets Policy and about who would be enforcing this policy.

*Staff response: On federally-funded projects, audits are typically performed on completed projects to check whether the local jurisdiction is in compliance with the federal requirements. Potentially, MTC and C/CAG can require similar audits on OBAG projects, with the potential penalty of local jurisdiction returning some of the grant funding to MTC and C/CAG if it is found to be not in compliance with Complete Streets Policy. There aren't any other specific enforcement mechanisms or penalties at this time.*

- A question as to whether the City could adopt an addendum seeking flexibility if MTC does not approve of City's proposed modifications.

*Staff response: Staff does not think that an addendum is necessary at this time. C/CAG staff has indicated that as long as all nine elements required by MTC in a Complete Streets Policy remain in the City's modified version, it is most likely to be approved.*

- Expressed concern that the policy would require sidewalks to be built in the Allied Arts neighborhood.

*Staff response: The proposed policy provides more local control and flexibility, by the replacement of several instances of "shall" with "should" in the policy and the context sensitivity section of the policy that allows the local jurisdiction to determine the appropriate context for neighbors. Staff does not anticipate the policy requiring sidewalks being built in the Allied Arts neighborhood.*

- Suggested that the policy should consider a balance between facilitating traffic throughput and reduce congestion on El Camino Real so as to minimize cut-through in the Allied Arts neighborhood and having bikes and pedestrians cross El Camino Real safely.

*Staff response: In previous projects, a balance between the system of roadway and bicycle and pedestrian networks has been maintained. Each project is unique and providing this balance is consistent with the General Plan and other City documents. Staff will continue to provide the same balance with the Complete Streets Policy.*

- Suggested that the policy should provide guidance on how to set the "trigger point".

*Staff response: The trigger point will vary on a project by project basis. In determining the trigger point, staff will consider several factors such as construction costs, sufficient right-of-way, and feedback from impacted neighborhoods.*

At its December, 2012 meeting, a day after the City Council Study Session, the Transportation Commission provided the following comments to staff:

- Suggested that metrics for closing gaps in pedestrian and bicycle facilities and removal of hard barriers that pedestrian and bicyclists encounter in Menlo Park such as railroad tracks, freeways, creeks, etc. and that staff should work with the Bicycle and Transportation Commissions on what metrics should be used to evaluate the policy.

*Staff response: The evaluation section was left more generic, such that the City can determine the appropriate way to measure the effect of the policy. Since this is a new policy, the evaluation may change over time and can be further discussed and solidified during the City's General Plan update. However, staff plans to work with the Bicycle and Transportation Commissions in coming up with the appropriate metrics to be used for evaluation of the policy.*

- Expressed concern that the review and approval of exemptions by the City's Director of Public Works is vague and potentially subject to challenge by some sectors. Suggested, therefore, that exemptions should be fully noticed to the public and ultimately, approved by City Council.

*Staff response: Staff concurs with the Commission's suggestion and is consistent with the City Council to provide the public the time and opportunity to review the exemption with the opportunity to appeal it to Council.*

Based on the above, staff has included the following changes to the resolution provided to Council at the December 11, 2012 Study Session as Attachment B:

- On the second page of the Resolution, Item 2 was modified to require the General Plan Circulation Element to comply with "applicable state and federal requirement" for more flexibility in the event the law changes regarding this requirement.
- The word "significant" was added in front of "planning" and "construction" on Item 4 of the Complete Streets Principle section.
- The "10 days prior to decision" provision was added after the word "public" in Item 1 of the Exemptions section. An appeals provision for the public was also added.

Staff consulted C/CAG staff regarding the above changes and were told that these changes do appear to meet MTC requirements.

## **IMPACT ON CITY RESOURCES**

In order to be eligible for the OBAG Cycle 1 grant funds, the MTC Complete Streets Policy needs to be approved by Council no later than January 31, 2013.

## **POLICY ISSUES**

The City will be updating the General Plan in a few years, which will include policy language about Complete Streets.

## **ENVIRONMENTAL REVIEW**

Council adoption of the MTC Complete Streets Policy does not require environmental review in accordance with the current State of California Environmental Quality Act (CEQA) Guidelines.

*Signature on file*

René Baile

Transportation Engineer

*Signature on file*

Charles 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. Staff Report of the Council Study Session of December 11, 2012 on the Discussion of a Metropolitan Transportation Commission Complete Streets Policy (Including Attachments to the Staff Report)
- B. Redlined Version Rev. 1 to the MTC Sample Complete Streets Resolution (Based on Council Comments from its Study Session of December 11, 2012 on the Discussion of a Metropolitan Transportation Commission Complete Streets Policy and Transportation Commission Comments from its Meeting of December 12, 2012)





## PUBLIC WORKS DEPARTMENT

Council Meeting Date: December 11, 2012  
Staff Report #: 12- 197

Agenda Item #: SS-1

**STUDY SESSION: Discussion of a Metropolitan Transportation Commission Complete Streets Policy**

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The purpose of this Study Session is to receive feedback from the City Council regarding the approach to a Metropolitan Transportation Commission (MTC) Complete Streets Policy for Menlo Park.

### **BACKGROUND**

Created by the state Legislature in 1970 (California Government Code § 66500 et seq.), the Metropolitan Transportation Commission (MTC) functions as both the regional transportation planning agency — a state designation – and, for federal purposes, as the region's metropolitan planning organization (MPO) for the nine-county San Francisco Bay Area. As such, it is responsible for regularly updating the Regional Transportation Plan, a comprehensive blueprint for the development of mass transit, highway, airport, seaport, railroad, bicycle and pedestrian facilities. MTC also screens requests from local agencies for state and federal grants for transportation projects to determine their compatibility with the plan

In 2012, MTC created the One Bay Area Grant (OBAG) Program as a new funding approach that better integrates the region's federal transportation program with California's climate law (Senate Bill 375, Steinberg, 2008) and the associated Sustainable Communities Strategy. \$800 million in funding through this program is shifted from the broad regional level to a more local level, with the cities in San Mateo County expected to obtain approximately \$26 million over the four year cycle (2014-2017). Priority is given to promoting transportation investments in Priority Development Areas (PDAs), and allowing investments in bicycle and pedestrian improvements, local streets and roads preservation, and planning and outreach activities. Menlo Park's PDA is along El Camino Real and Downtown.

To receive funding through the OBAG program, by January 31, 2013 a jurisdiction must have: 1) either updated its General Plan to comply with the "Complete Streets" Act of 2008 or adopted a "Complete Streets" Resolution; and, 2) have a certified Housing Element. The City is expected to begin the General Plan update next year, but won't be completed for a number of years. The Housing Element is expected to be completed during this fiscal year.

In the past five years, the City of Menlo Park has received approximately \$3.8 million in grant funds for projects, which in future cycles would require the City to have a "Complete Streets" resolution and a certified Housing Element. See attachment D for

the list of projects. Failure by the City to have a Complete Streets resolution adopted would disqualify the City from these essential funds.

### **Complete Street Policy**

A “Complete Street” is defined as streets that are safe, comfortable, and convenient for all users of the roadway, regardless of age and ability; all pedestrians, bicyclists, motorists, and public transportation users. A “complete street” is the result of comprehensive planning, programming, design, construction, operation, and maintenance, and should be appropriate to the function and context of the street.

A “Complete Streets” resolution must incorporate the following elements listed in Attachment A (Elements Required of a Complete Streets Resolution to Comply with OBAG) and summarized below:

- A. **Principles.** The policy requires all transportation improvements: 1) to be planned, designed, constructed, operated, and maintained to support safe and convenient access for all users; and, 2) to include input from residents and businesses.
- B. **Implementation.** The policy requires all transportation improvements to: 1) be evaluated for consistency with all local bicycle, pedestrian and transportation plans; 2) provide a connected network of facilities accommodating all modes of travel, between popular destinations and; 3) be reviewed by local bicycle and pedestrian advisory committees (BPACs) or similar public advisory group in an early project development phase to verify bicycling and pedestrian needs for projects.
- C. **Exemptions.** The policy requires for plans/projects that seek exemptions from the complete streets approach, to have documentation on why all modes were not included in the project, to be signed off by the Public Works Director or equivalent.

MTC has developed a sample resolution for cities to use for adoption shown in Attachment B.

In addition to making jurisdictions eligible to receive OBAG funding, adopting a city-wide “Complete Streets” policy will enable a city to:

- Update practices, integrating the needs of all street users into all phases of a project
- Ensure every project becomes an opportunity to help create a complete street
- Bring an overarching vision and consistency to disparate departmental approaches
- Improve departmental efficiency and streamlining

## Commission Review

In October and November 2012, staff presented the sample MTC Complete Streets resolution to the following commissions and received the following comments:

- Bicycle Commission – Supportive of the policy with no comments.
- Transportation Commission – Requested to bring the item back at its December meeting so it can provide comments on the policy for Council consideration.
- Environmental Quality Commission – Discussed consideration of a stricter policy, but were more focused on providing an easy way for the public to view projects that have received an exemption to the policy on the web with the understanding that this topic will be discussed at a more granular level during the General Plan update.
- Planning Commission – Expressed concern regarding the lack of flexibility in the policy and how one mode of travel could be improved at the expense of another mode of travel even though it has a lower use. (e.g. the potential of a required bus rapid lane on El Camino that removes a lane of vehicular travel.)

In an effort to balance the input from the Commissions, and staff's concerns regarding implementation, a proposed redlined version of the MTC sample resolution is included as Attachment C. The MTC sample resolution has been modified as follows:

- To provide more local control and flexibility in the policy by replacing several instances of "shall" with "should."
- The policy was modified to bring the appropriate projects through the Bicycle and Transportation Commissions with a focus on the larger transportation projects.
- The evaluation section was left more generic, such that the City can determine the appropriate way to measure the effect of the policy. Since this is a new policy, the evaluation may change over time and can be further discussed and solidified during the City's General Plan update.
- The exemption section was modified to clarify that the Director of Public Works will make the determination as to whether a project is exempt and make it available for the public. The public would then have the opportunity to request further review.

A recent concern that could be affected by this resolution relates to the petition from the Allied Arts neighborhood. The petition, in part, relates to the construction of frontage improvements (sidewalk and curb and gutter) along the frontage of houses that are undergoing a remodel. The petition raises the concern of the required construction of small segments of sidewalk that are isolated along one property frontage, due to lack of sidewalk along other frontages on the street. This petition has not been discussed by

Council, but the proposed modifications to the MTC sample resolution would continue to provide Council and staff with the flexibility as to whether the frontage improvements should be installed or not based on the context of the street and neighborhood.

In order to be eligible for the OBAG grant funds, the Complete Streets resolution needs to be approved by Council no later than January 31, 2013. Staff would like to receive any comments and feedback from Council and bring back a final resolution for approval in January.

Signature on File

Charles 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. Elements Required of a Complete Streets Resolution to Comply with the One Bay Area Grant
- B. Draft Resolution of the City Council of the City of Menlo Park Adopting a Complete Streets Policy based on the MTC sample resolution
- C. Proposed Modifications to the MTC sample Complete Streets Resolution
- D. List of Projects that received grant funds that would require a "Complete Streets" resolution

**Elements Required of a Complete Streets Resolution to Comply with the One Bay Area Grant  
(Revised July 1, 2012)**

To receive funding through the OneBayArea Grant (OBAG) program, a jurisdiction must have either updated its General Plan to comply with the Complete Streets Act of 2008 or adopted a complete streets Resolution that incorporates all nine of the following elements.

**Complete Streets Principles**

1. **Serve all Users** - All transportation improvements will be planned, designed, constructed, operated and maintained to support safe and convenient access for all users, and increase mobility for walking, bicycling and transit use.
2. **Context Sensitivity** – The planning and implementation of transportation projects will reflect conditions within and surrounding the project area, whether the area is a residential or business district or urban, suburban or rural. Project planning, design and construction of complete streets projects should include working with residents and ~~merchants~~ businesses to ensure that a strong sense of place is maintained.
3. **Complete Streets in all Departments** – All departments in the jurisdiction *and outside agencies* whose work affects the roadway must incorporate a complete streets approach into the review and implementation of their projects and activities. Potential complete streets opportunities could apply to projects such as, transportation projects, road rehabilitation, new development, utilities, etc.
4. **All Projects/Phases** - The policy will apply to all roadway projects including those involving new construction, reconstruction, retrofits, repaving, rehabilitation, or changes in the allocation of pavement space on an existing roadway, as well as those that involve new privately built roads and easements intended for public use.

**Implementation**

5. **Plan Consultation** – Any proposed improvements should be evaluated for consistency with all local bicycle, pedestrian and transportation plans and any other plans that affect the right of way should be consulted for consistency with any proposed improvements.
6. **Street Network/Connectivity** - The transportation system should provide a connected network of facilities accommodating all modes of travel. This includes looking for opportunities for repurposing rights-of-ways to enhance connectivity for cyclists, pedestrians and transit users. A well connected network should include non-motorized connectivity to schools, parks, commercial areas, civic destinations and regional non-motorized networks on both publically owned roads/land and private developments (or redevelopment areas).
7. **BPAC Consultation** - Input shall be solicited from local bicycle and pedestrian advisory committees (BPACs) or similar *public* advisory group in an early project development phase to verify bicycling and pedestrian needs for projects. (MTC Resolution 875 requires that cities of 10,000 or more create and maintain a BPAC or rely on the county BPAC to receive TDA-3 funds.)
8. **Evaluation** – *City and county* will establish a means to collect data and indicate how the jurisdiction is evaluating their implementation of complete streets policies. For example tracking the number of miles of bike lanes and sidewalks, numbers of street crossings, signage etc.

**Exceptions**

9. **Process**– Plans or projects that seek exemptions from the complete streets approach outlined in prior sections must provide written finding of why accommodations for all modes were not included in the project. The memorandum should be signed off by the Public Works Director or equivalent high level staff person. Plans or projects that are granted exceptions must be made publically available for review.

Federal guidance on exceptions can be found from the Federal Highway Administration (FHWA) Accommodating Bicycle and Pedestrian

Travel [http://www.fhwa.dot.gov/environment/bicycle\\_pedestrian/guidance/design\\_guidance/design.cfm](http://www.fhwa.dot.gov/environment/bicycle_pedestrian/guidance/design_guidance/design.cfm)

## RESOLUTION NO.

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADOPTING A COMPLETE STREETS POLICY

WHEREAS, the term “Complete Streets” describes a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, and families , emergency vehicles, and freight; and

WHEREAS, the City of Menlo Park acknowledges the benefits and value for the public health and welfare of reducing vehicle miles traveled and increasing transportation by walking, bicycling, and public transportation; and

WHEREAS, the City of Menlo Park recognizes that the planning and coordinated development of Complete Streets infrastructure provides benefits for local governments in the areas of infrastructure cost savings; public health; and environmental sustainability; and

WHEREAS, the State of California has emphasized the importance of Complete Streets by enacting the California Complete Streets Act of 2008 (also known as AB 1358), which requires that when cities or counties revise general plans, they identify how they will provide for the mobility needs of all users of the roadways, as well as through Deputy Directive 64, in which the California Department of Transportation explained that it “views all transportation improvements as opportunities to improve safety, access, and mobility for all travelers in California and recognizes bicycle, pedestrian, and transit modes as integral elements of the transportation system”; and

WHEREAS, the California Global Warming Solutions Act of 2006 (known as AB 32) sets a mandate for the reduction of greenhouse gas emissions in California, and the Sustainable Communities and Climate Protection Act of 2008 (known as SB 375) requires emissions reductions through coordinated regional planning that integrates transportation, housing, and land-use policy, and achieving the goals of these laws will require significant increases in travel by public transit, bicycling, and walking; and

WHEREAS, numerous California counties, cities, and agencies have adopted Complete Streets policies and legislation in order to further the health, safety, welfare, economic vitality, and environmental well-being of their communities; and

WHEREAS, the City of Menlo Park therefore, in light of the foregoing benefits and considerations, wishes to improve its commitment to Complete Streets and desires that its streets form a comprehensive and integrated transportation network promoting safe, equitable, and convenient travel for all users while preserving flexibility, recognizing community context, and using the latest and best design guidelines and standards.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Menlo Park, as follows:

1. That the City of Menlo Park adopts the Complete Streets Policy attached hereto as Exhibit A, and made part of this Resolution, and that said exhibit is hereby approved and adopted.

2. That the next substantial revision of the City of Menlo Park General Plan Circulation Element shall incorporate Complete Streets policies and principles consistent with the California Complete Streets Act of 2008 (AB 1358) and with the Complete Streets Policy adopted by this resolution.

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 the eleventh day of December, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park on this eleventh of December, 2012.

Margaret S. Roberts, MMC  
City Clerk

## EXHIBIT A

This Complete Streets Policy was adopted by Resolution No. XXXX by the City Council of the City of Menlo Park on XXX, 2012.

### COMPLETE STREETS POLICY OF CITY OF MENLO PARK

#### A. Complete Streets Principles

1. **Complete Streets Serving All Users.** City of Menlo Park expresses its commitment to creating and maintaining Complete Streets that provide safe, comfortable, and convenient travel along and across streets (including streets, roads, highways, bridges, and other portions of the transportation system) through a comprehensive, integrated transportation network that serves all categories of users, including pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, and families, emergency vehicles and freight.
2. **Context Sensitivity.** In planning and implementing street projects, departments and agencies of the City of Menlo Park shall maintain sensitivity to local conditions in both residential and business districts, and shall work with residents, merchants, and other stakeholders to ensure that a strong sense of place ensues. Improvements that will be considered include sidewalks, shared use paths, bicycle lanes, bicycle routes, paved shoulders, street trees and landscaping, planting strips, accessible curb ramps, crosswalks, refuge islands, pedestrian signals, signs, street furniture, bicycle parking facilities, public transportation stops and facilities, transit priority signalization, and other features assisting in the provision of safe travel for all users, including those features identified in the *El Camino Real/Downtown Specific Plan* and the *City of Menlo Park Comprehensive Bicycle Development Plan*.
3. **Complete Streets Routinely Addressed by All Departments.** All relevant departments and agencies of the City of Menlo Park shall work towards making Complete Streets practices a routine part of everyday operations, approach every relevant project, program, and practice as an opportunity to improve streets and the transportation network for all categories of users, and work in coordination with other departments, agencies, and jurisdictions to maximize opportunities for Complete Streets, connectivity, and cooperation. The following projects provide opportunities: pavement resurfacing, restriping, accessing above and underground utilities, signalization operations or modifications, and maintenance of landscaping/related features.



4. **All Projects and Phases.** Complete Streets infrastructure sufficient to enable reasonably safe travel along and across the right of way for each category of users shall be incorporated into all planning, funding, design, approval, and implementation processes for any construction, reconstruction, retrofit, maintenance, operations, alteration, or repair of streets (including streets, roads, highways, bridges, and other portions of the transportation system), except that specific infrastructure for a given category of users may be excluded if an exemption is approved via the process set forth in section C. 1 of this policy.

## **B. Implementation**

1. **Plan Consultation and Consistency.** Maintenance, planning, and design of projects affecting the transportation system shall be consistent with local bicycle, pedestrian, transit, multimodal, and other relevant plans, except that where such consistency cannot be achieved without negative consequences. Consistency shall not be required if the Public Works Director provides written approval explaining the basis of such deviation, such deviations shall be presented to the Bicycle and Transportation Commission early in the planning and design stage, to ensure the Bicycle and Transportation Commission has an opportunity to provide comments and recommendations.
2. **Street Network/Connectivity.** As feasible, the City of Menlo Park shall incorporate Complete Streets infrastructure into existing streets to improve the safety and convenience of users and to create employment, with the particular goal of creating a connected network of facilities accommodating each category of users, and increasing connectivity across jurisdictional boundaries and for existing and anticipated future areas of travel origination or destination.
3. **Bicycle and Transportation Commission Consultation.** Transportation projects shall be reviewed by the Bicycle and Transportation Commissions early in the planning and design stage, to provide the Bicycle and Transportation Commissions an opportunity to provide comments and recommendations regarding Complete Streets features to be incorporated into the project, as deemed appropriate.
4. **Evaluation.** The Department of Public Works and Police shall perform evaluations of how well the streets and transportation network of the City of Menlo Park are serving each category of users by collecting baseline data and collecting follow-up data on a regular basis. The City will evaluate this Complete Streets Policy using the following performance measures:
  - i. Total Miles of on-street bikeways defined by streets with clearly marked or signed bicycle accommodation
  - ii. Total Miles of streets with pedestrian accommodation

- iii. Number of missing or non-compliant curb ramps along City Streets
- iv. Number of new street trees planted along City streets
- v. Percentage of new street projects that are multi-modal
- vi. Number and severity of pedestrian-vehicle and bicycle-vehicle crashes
- vii. Number of pedestrian-vehicle and bicycle-vehicle fatalities

### **C. Exemptions**

Complete Streets principles and practices will be included in street construction, reconstruction, paving, and rehabilitation projects, as well as other plans and manuals, except under one or more of the following conditions:

- A) A project involves only ordinary or emergency maintenance activities designed to keep assets in serviceable condition such as mowing, cleaning, sweeping, spot repair, concrete joint repair, or pothole filling, or when interim measures are implemented on temporary detour or haul routes.
- B) The City Council exempts a project due to excessive and disproportionate cost of establishing a bikeway, walkway, or transit enhancement as part of a project.
- C) The respective department, Director of Public Works or the Community Development Director, determines the construction is not practically feasible or cost effective because of significant or adverse environmental impacts to waterways, flood plains, remnants of native vegetation, wetlands, or other critical areas, or due to impacts on neighboring land uses, including impact from right of way acquisitions.
- D) Unless otherwise determined by the City Council, respective department, the Director of Public Works or the Community Development Director jointly determine it is not practically feasible or cost effective to implement the provisions of this policy through public or private project design or manuals or other plans.

Exceptions described in B and C above will be documented and made available for public access at least 21 days prior to decision. Exceptions described in A and D above will be documented.

Redline Version

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO  
PARK ADOPTING A COMPLETE STREETS POLICY**

WHEREAS, the term “Complete Streets” describes a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, and families , emergency vehicles, and freight; and

WHEREAS, the City of Menlo Park acknowledges the benefits and value for the public health and welfare of reducing vehicle miles traveled and increasing transportation by walking, bicycling, and public transportation; and

WHEREAS, the City of Menlo Park recognizes that the planning and coordinated development of Complete Streets infrastructure provides benefits for local governments in the areas of infrastructure cost savings; public health; and environmental sustainability; and

WHEREAS, the State of California has emphasized the importance of Complete Streets by enacting the California Complete Streets Act of 2008 (also known as AB 1358), which requires that when cities or counties revise general plans, they identify how they will provide for the mobility needs of all users of the roadways, as well as through Deputy Directive 64, in which the California Department of Transportation explained that it “views all transportation improvements as opportunities to improve safety, access, and mobility for all travelers in California and recognizes bicycle, pedestrian, and transit modes as integral elements of the transportation system”; and

WHEREAS, the California Global Warming Solutions Act of 2006 (known as AB 32) sets a mandate for the reduction of greenhouse gas emissions in California, and the Sustainable Communities and Climate Protection Act of 2008 (known as SB 375) requires emissions reductions through coordinated regional planning that integrates transportation, housing, and land-use policy, and achieving the goals of these laws will require significant increases in travel by public transit, bicycling, and walking; and

WHEREAS, numerous California counties, cities, and agencies have adopted Complete Streets policies and legislation in order to further the health, safety, welfare, economic vitality, and environmental well-being of their communities; and

WHEREAS, the City of Menlo Park therefore, in light of the foregoing benefits and considerations, wishes to improve its commitment to Complete Streets and desires that its streets form a comprehensive and integrated transportation network promoting safe,

equitable, and convenient travel for all users while preserving flexibility, recognizing community context, and using the latest and best design guidelines and standards.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Menlo Park, as follows:

1. That the City of Menlo Park adopts the Complete Streets Policy attached hereto as Exhibit A, and made part of this Resolution, and that said exhibit is hereby approved and adopted.

2. That the next substantial revision of the City of Menlo Park General Plan Circulation Element ~~shall~~ **should** incorporate Complete Streets policies and principles consistent with the California Complete Streets Act of 2008 (AB 1358) and with the Complete Streets Policy adopted by this resolution.

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 the eleventh day of December, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park on this eleventh of December, 2012.

Margaret S. Roberts, MMC  
City Clerk

## EXHIBIT A

This Complete Streets Policy was adopted by Resolution No. XXXX by the City Council of the City of Menlo Park on XXX, 2012.

### **COMPLETE STREETS POLICY OF CITY OF MENLO PARK**

#### **A. Complete Streets Principles**

- 1. Complete Streets Serving All Users.** City of Menlo Park expresses its commitment to creating and maintaining Complete Streets that provide safe, comfortable, and convenient travel along and across streets (including streets, roads, highways, bridges, and other portions of the transportation system) through a comprehensive, integrated transportation network that serves all categories of users, including pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, and families, emergency vehicles and freight.
- 2. Context Sensitivity.** In planning and implementing street projects, departments and agencies of the City of Menlo Park shall maintain sensitivity to local conditions in both residential and business districts, and shall work with residents, merchants, and other stakeholders to ensure that a strong sense of place ensues. Improvements that ~~will~~ **should** be considered include sidewalks, shared use paths, bicycle lanes, bicycle routes, paved shoulders, street trees and landscaping, planting strips, accessible curb ramps, crosswalks, refuge islands, pedestrian signals, signs, street furniture, bicycle parking facilities, public transportation stops and facilities, transit priority signalization, and other features assisting in the provision of safe travel for all users, including those features identified in the *El Camino Real/Downtown Specific Plan* and the *City of Menlo Park Comprehensive Bicycle Development Plan*.
- 3. Complete Streets Routinely Addressed by All Departments.** All relevant departments and agencies of the City of Menlo Park ~~shall~~ **should** work towards making Complete Streets practices a routine part of everyday operations, approach every relevant project, program, and practice as an opportunity to improve streets and the transportation network for all categories of users, and work in coordination with other departments, agencies, and jurisdictions to maximize opportunities for Complete Streets, connectivity, and cooperation. The following projects provide opportunities: pavement resurfacing, restriping, accessing above and underground utilities, signalization operations or modifications, and maintenance of landscaping/related features.

4. **All Projects and Phases.** Complete Streets infrastructure sufficient to enable reasonably safe travel along and across the right of way for each category of users ~~shall be~~ **should be considered for** incorporation into all planning, funding, design, approval, and implementation processes for any construction, reconstruction, retrofit, maintenance, operations, alteration, or repair of streets (including streets, roads, highways, bridges, and other portions of the transportation system), except that specific infrastructure for a given category of users may be excluded if an exemption is approved via the process set forth in section C. 1 of this policy.

## B. Implementation

1. **Plan Consultation and Consistency.** Maintenance, planning, and design of projects affecting the transportation system shall be consistent with local bicycle, pedestrian, transit, multimodal, and other relevant plans, except that where such consistency cannot be achieved without negative consequences. Consistency shall not be required if the Public Works Director provides written approval explaining the basis of such deviation, such deviations shall be presented to the Bicycle and Transportation Commission early in the planning and design stage, to ensure the Bicycle and Transportation Commission has an opportunity to provide comments and recommendations.
2. **Street Network/Connectivity.** As feasible, the City of Menlo Park ~~shall~~ **should** incorporate Complete Streets infrastructure into existing streets to improve the safety and convenience of users and to create employment, with the particular goal of creating a connected network of facilities accommodating each category of users, and increasing connectivity across jurisdictional boundaries and for existing and anticipated future areas of travel origination or destination.
3. **Bicycle and Transportation Commission Consultation.** ~~Large~~ **Large** transportation projects, ~~as deemed by the Public Works Director,~~ shall be reviewed by the Bicycle and Transportation Commissions early in the planning and design stage, to provide the Bicycle and Transportation Commissions an opportunity to provide comments and recommendations regarding Complete Streets features to be incorporated into the project, as deemed appropriate.

- C. **Evaluation.** The Menlo Park Public Works and Planning Departments shall perform evaluations of how well the streets and transportation network of Menlo Park are serving each category of users by collecting baseline data and collecting follow-up data on a regular basis.

- ~~4. The Department of Public Works and Police shall perform evaluations of how well the streets and transportation network of the City of Menlo Park are serving each category of users by collecting baseline data and collecting follow-up data~~

~~on a regular basis. The City will evaluate this Complete Streets Policy using the following performance measures:~~

- ~~5.—~~
- ~~6. Total Miles of on-street bikeways defined by streets with clearly marked or signed bicycle accommodation~~
- ~~7.—~~
- ~~8. Total Miles of streets with pedestrian accommodation~~
- ~~9.—~~
- ~~10. Number of missing or non-compliant curb ramps along City Streets~~
- ~~11.—~~
- ~~12. Number of new street trees planted along City streets~~
- ~~13.—~~
- ~~14. Percentage of new street projects that are multi-modal~~
- ~~15.—~~
- ~~16. Number and severity of pedestrian vehicle and bicycle vehicle crashes~~
- ~~17.—~~
- ~~18. Number of pedestrian vehicle and bicycle vehicle fatalities~~

#### **D. Exemptions**

**1. Leadership Approval for Exemptions.** A project seeking Complete Streets exemption must provide written finding of why accommodations for all modes was not incorporated into the project. Exemptions shall be reviewed and approved by the Director of Public Works and made available to the public. ~~Complete Streets principles and practices will be included in street construction, reconstruction, paving, and rehabilitation projects, as well as other plans and manuals, except under one or more of the following conditions:~~

- ~~A) A project involves only ordinary or emergency maintenance activities designed to keep assets in serviceable condition such as mowing, cleaning, sweeping, spot repair, concrete joint repair, or pothole filling, or when interim measures are implemented on temporary detour or haul routes.~~
- ~~B) The City Council exempts a project due to excessive and disproportionate cost of establishing a bikeway, walkway, or transit enhancement as part of a project.~~
- ~~C) The respective department, Director of Public Works or the Community Development Director, determines the construction is not practically feasible or cost effective because of significant or adverse environmental impacts to waterways, flood plains, remnants of native vegetation, wetlands, or other critical areas, or due to impacts on neighboring land uses, including impact from right of way acquisitions.~~
- ~~D) Unless otherwise determined by the City Council, respective department, the Director of Public Works or the Community Development Director jointly~~

~~determine it is not practically feasible or cost effective to implement the provisions of this policy through public or private project design or manuals or other plans.~~

~~Exceptions described in B and C above will be documented and made available for public access at least 21 days prior to decision. Exceptions described in A and D above will be documented.~~



**LIST OF FEDERAL AND STATE TRANSPORTATION GRANTS  
RECEIVED BY THE CITY OF MENLO PARK FROM 2006-2012**

TYPE OF GRANT	PROJECT	AMOUNT OF GRANT RECEIVED	YEAR GRANT RECEIVED
Surface Transportation Program (Federal)	Sand Hill Road and Oak Grove Avenue Resurfacing	\$816,000	2006
Safe Routes to School-SRTS (Federal)	Hillview Middle School Project	\$143,000	2007
Transportation Development Act Art. 3 (State)	Video Detection Systems for Bicycles	\$110,000	2007
SAFETEA (Federal)	Willow Road Signal Interconnect	\$240,000	2007
Safe Routes to School-SRTS (Federal)	Laurel Elementary School Project	\$441,100	2008
American Recovery and Reinvestment Act (Federal)	Haven Avenue, Live Oak Avenue, and Monte Rosa Drive Resurface	\$885,000	2009
Transportation Development Act Art. 3 (State)	Alpine Road Bicycle Lane Project	\$78,000	2010
Highway Safety Improvement Program (Federal)	Oak Grove Merrill Street In-Pavement Lighted Crosswalk Project	\$49,500	2010
MTC Program For Arterial System Synchronization (State)	Willow Road Traffic Signal Synchronization	\$50,000	2011
MTC Program For Arterial System Synchronization (State)	Sand Hill Road and Marsh Road Traffic Signal Synchronization	\$50,000	2012
Proposition 1 B (State)	2011-12 Resurfacing Project	\$463,027	2012
MTC Lifeline Shuttle Grant (State)	Menlo Park Shuttle Program	\$134,000	2012
State Transportation Local Program (State)	Resurfacing of Sand Hill Road and Marsh Road	\$385,000	2012

**Total: \$3,844,627**

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[ATTACHMENT B – Redlined Version rev. 4](#)

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADOPTING A COMPLETE STREETS POLICY**

WHEREAS, the term “Complete Streets” describes a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, and families , emergency vehicles, and freight; and

WHEREAS, the City of Menlo Park acknowledges the benefits and value for the public health and welfare of reducing vehicle miles traveled and increasing transportation by walking, bicycling, and public transportation; and

WHEREAS, the City of Menlo Park recognizes that the planning and coordinated development of Complete Streets infrastructure provides benefits for local governments in the areas of infrastructure cost savings; public health; and environmental sustainability; and

WHEREAS, the State of California has emphasized the importance of Complete Streets by enacting the California Complete Streets Act of 2008 (also known as AB 1358), which requires that when cities or counties revise general plans, they identify how they will provide for the mobility needs of all users of the roadways, as well as through Deputy Directive 64, in which the California Department of Transportation explained that it “views all transportation improvements as opportunities to improve safety, access, and mobility for all travelers in California and recognizes bicycle, pedestrian, and transit modes as integral elements of the transportation system”; and

WHEREAS, the California Global Warming Solutions Act of 2006 (known as AB 32) sets a mandate for the reduction of greenhouse gas emissions in California, and the Sustainable Communities and Climate Protection Act of 2008 (known as SB 375) requires emissions reductions through coordinated regional planning that integrates transportation, housing, and land-use policy, and achieving the goals of these laws will require significant increases in travel by public transit, bicycling, and walking; and

WHEREAS, numerous California counties, cities, and agencies have adopted Complete Streets policies and legislation in order to further the health, safety, welfare, economic vitality, and environmental well-being of their communities; and

WHEREAS, the City of Menlo Park therefore, in light of the foregoing benefits and considerations, wishes to improve its commitment to Complete Streets and desires that its streets form a comprehensive and integrated transportation network promoting safe,

equitable, and convenient travel for all users while preserving flexibility, recognizing community context, and using the latest and best design guidelines and standards.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Menlo Park, as follows:

1. That the City of Menlo Park adopts the Complete Streets Policy attached hereto as Exhibit A, and made part of this Resolution, and that said exhibit is hereby approved and adopted.

2. That the next substantial revision of the City of Menlo Park General Plan Circulation Element ~~shall~~ ~~should~~ shall incorporate Complete Streets policies and principles consistent with the ~~California Complete Streets Act of 2008 (AB 4358)~~ applicable state and federal requirements and with the Complete Streets Policy adopted by this resolution.

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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 the ~~XX~~ ~~twenty-second~~ day of ~~December,~~ January, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park on this ~~xx~~ ~~twenty-second day~~ of ~~December, 2012~~ January, 2013.

Margaret S. Roberts, MMC  
City Clerk

## EXHIBIT A

This Complete Streets Policy was adopted by Resolution No. XXXX by the City Council of the City of Menlo Park on ~~January 22, 2013~~, 201342.

### COMPLETE STREETS POLICY OF CITY OF MENLO PARK

#### A. Complete Streets Principles

- 1. Complete Streets Serving All Users.** City of Menlo Park expresses its commitment to creating and maintaining Complete Streets that provide safe, comfortable, and convenient travel along and across streets (including streets, roads, highways, bridges, and other portions of the transportation system) through a comprehensive, integrated transportation network that serves all categories of users, including pedestrians, bicyclists, persons with disabilities, motorists, movers of commercial goods, users and operators of public transportation, seniors, children, youth, and families, emergency vehicles and freight.
- 2. Context Sensitivity.** In planning and implementing street projects, departments and agencies of the City of Menlo Park shall maintain sensitivity to local conditions in both residential and business districts, and shall work with residents, merchants, and other stakeholders to ensure that a strong sense of place ensues. Improvements that ~~should will should~~ be considered include sidewalks, shared use paths, bicycle lanes, bicycle routes, paved shoulders, street trees and landscaping, planting strips, accessible curb ramps, crosswalks, refuge islands, pedestrian signals, signs, street furniture, bicycle parking facilities, public transportation stops and facilities, transit priority signalization, and other features assisting in the provision of safe travel for all users, including those features identified in the *El Camino Real/Downtown Specific Plan* and the *City of Menlo Park Comprehensive Bicycle Development Plan*.
- 3. Complete Streets Routinely Addressed by All Departments.** All relevant departments and agencies of the City of Menlo Park ~~should shall should~~ work towards making Complete Streets practices a routine part of everyday operations, approach every relevant project, program, and practice as an opportunity to improve streets and the transportation network for all categories of users, and work in coordination with other departments, agencies, and jurisdictions to maximize opportunities for Complete Streets, connectivity, and cooperation. The following projects provide opportunities: pavement resurfacing, restriping, accessing above and underground utilities, signalization operations or modifications, and maintenance of landscaping/related features.

4. **All Projects and Phases.** Complete Streets infrastructure sufficient to enable reasonably safe travel along and across the right of way for each category of users ~~shall be~~ should be considered for incorporation into all significant planning, funding, design, approval, and implementation processes for any significant construction, reconstruction, retrofit, maintenance, operations, alteration, or repair of streets (including streets, roads, highways, bridges, and other portions of the transportation system), except that specific infrastructure for a given category of users may be excluded if an exemption is approved via the process set forth in section C. 1 of this policy.

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## B. Implementation

1. **Plan Consultation and Consistency.** Maintenance, planning, and design of projects affecting the transportation system shall be consistent with local bicycle, pedestrian, transit, multimodal, and other relevant plans, except that where such consistency cannot be achieved without negative consequences. Consistency shall not be required if the Public Works Director provides written approval explaining the basis of such deviation, such deviations shall be presented to the Bicycle and Transportation Commission early in the planning and design stage, to ensure the Bicycle and Transportation Commission has an opportunity to provide comments and recommendations.

2. **Street Network/Connectivity.** As feasible, the City of Menlo Park ~~shall~~ should incorporate Complete Streets infrastructure into existing streets to improve the safety and convenience of users and to create employment, with the particular goal of creating a connected network of facilities accommodating each category of users, and increasing connectivity across jurisdictional boundaries and for existing and anticipated future areas of travel origination or destination.

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3. **Bicycle and Transportation Commission Consultation.** ~~Large~~ Transportation projects, as deemed by the Public Works Director, shall be reviewed by the Bicycle and Transportation Commissions early in the planning and design stage, to provide the Bicycle and Transportation Commissions an opportunity to provide comments and recommendations regarding Complete Streets features to be incorporated into the project, as deemed appropriate.

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4. **Evaluation.** ~~The Menlo Park Public Works and Planning Departments shall perform evaluations of how well the streets and transportation network of Menlo Park are serving each category of users by collecting baseline data and collecting follow-up data on a regular basis.~~

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3.

C. ~~Evaluation. The Menlo Park Public Works and Planning Departments shall perform evaluations of how well the streets and transportation network of~~

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~~Menlo Park are serving each category of users by collecting baseline data and collecting follow up data on a regular basis.~~

- ~~4. The Department of Public Works and Police shall perform evaluations of how well the streets and transportation network of the City of Menlo Park are serving each category of users by collecting baseline data and collecting follow up data on a regular basis. The City will evaluate this Complete Streets Policy using the following performance measures:~~
- ~~5.~~
- ~~6. Total Miles of on street bikeways defined by streets with clearly marked or signed bicycle accommodation~~
- ~~7.~~
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- ~~9.~~
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- ~~14. Percentage of new street projects that are multi-modal~~
- ~~15.~~
- ~~16. Number and severity of pedestrian vehicle and bicycle vehicle crashes~~
- ~~17.~~
- ~~18. Number of pedestrian vehicle and bicycle vehicle fatalities~~

#### D.C. Exemptions

**1. Leadership Approval for Exemptions.** A project seeking Complete Streets exemption must provide written finding of why accommodations for all modes was not incorporated into the project. Exemptions shall be reviewed and approved by the Director of Public Works and made available to the public for 10 days after decision. Within that 10 day period the Public can submit itsan appeal on the decision to City Council through either the City Clerk or Director of Public Works. Complete Streets principles and practices will be included in street construction, reconstruction, paving, and rehabilitation projects, as well as other plans and manuals, except under one or more of the following conditions:

- ~~A) A project involves only ordinary or emergency maintenance activities designed to keep assets in serviceable condition such as mowing, cleaning, sweeping, spot repair, concrete joint repair, or pothole filling, or when interim measures are implemented on temporary detour or haul routes.~~
- ~~B) The City Council exempts a project due to excessive and disproportionate cost of establishing a bikeway, walkway, or transit enhancement as part of a project.~~

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~~C)The respective department, Director of Public Works or the Community Development Director, determines the construction is not practically feasible or cost effective because of significant or adverse environmental impacts to waterways, flood plains, remnants of native vegetation, wetlands, or other critical areas, or due to impacts on neighboring land uses, including impact from right of way acquisitions.~~

~~D)Unless otherwise determined by the City Council, respective department, the Director of Public Works or the Community Development Director jointly determine it is not practically feasible or cost effective to implement the provisions of this policy through public or private project design or manuals or other plans.~~

~~Exceptions described in B and C above will be documented and made available for public access at least 21 days prior to decision. Exceptions described in A and D above will be documented.~~

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## **PUBLIC WORKS DEPARTMENT**

**Council Meeting Date: January 22, 2013**

**Staff Report #: 13-016**

**Agenda Item #: F-2**

**REGULAR BUSINESS:** Authorize the City Manager to Approve an Agreement with Infrastructure Engineering Corporation for the Emergency Water Supply Project to Proceed with Environmental Review, Well Design, Well Construction, and Wellhead Facilities Design at the City's Corporation Yard by an Amount Not to Exceed \$430,691; and to Expand Public Outreach to the Tier 2 and 3 Sites as Possible Emergency Well Locations, and Include an Additional Site Along Alma Street as a Tier 3 Site

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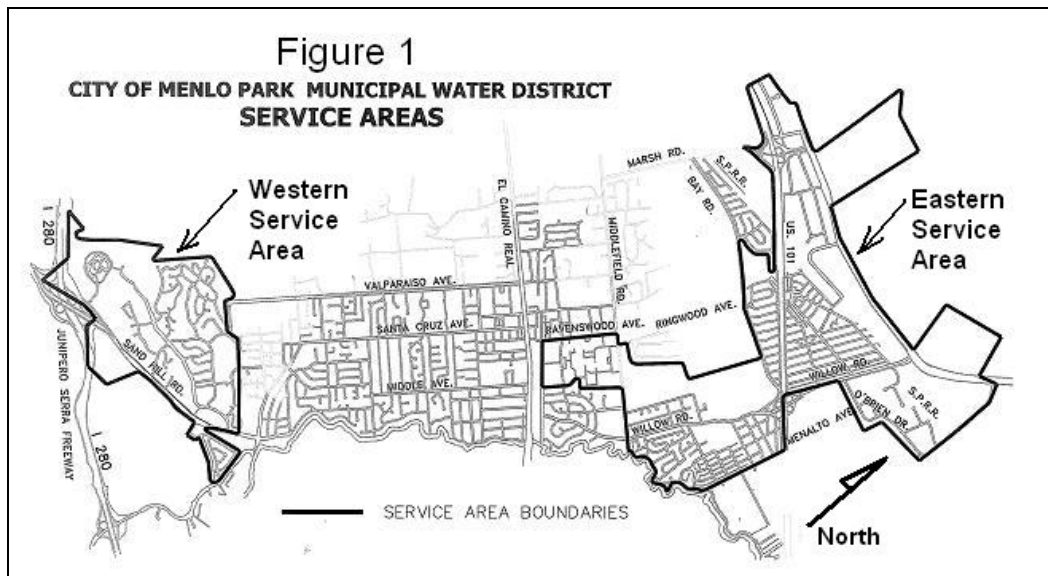
### **RECOMMENDATION**

Staff recommends that the City Council authorize the City Manager to approve an agreement with Infrastructure Engineering Corporation (IEC) for the Emergency Water Supply Project to proceed with environmental review, well design, well construction, and wellhead facilities design at the City's Corporation Yard by an amount not to exceed \$430,691 (budgeted funds); and to expand public outreach to the Tier 2 and 3 sites as possible emergency well locations, and include an additional site along Alma Street as a Tier 3 site.

### **BACKGROUND**

The Menlo Park Municipal Water District (District) provides water to approximately 14,000 residents in the eastern and western service areas (see Figure 1, next page), with approximately 3,000 service connections in the eastern service area and 1,000 service connections in the western service area. California Water Service provides water to the area located in between the western and eastern service areas.

The District purchases 100% of its water from the San Francisco Public Utilities Commission (SFPUC), which pipes water from the Hetch Hetchy reservoir in Yosemite National Park to Menlo Park. The District has two reservoirs in the western service area for emergency storage, but the eastern service area does not have storage facilities or a dedicated secondary water supply. As a result, nearly 3,000 residences and businesses could be without water immediately for an undetermined period of time during a significant natural disaster.



In order to address the need for an alternative supply in the eastern service area, the District has been pursuing emergency water supply since 2005. The project goal is to construct approximately 3-4 wells in order to provide about 3,000 gpm (gallons per minute) to meet average-day potable water needs. Table 1 below outlines the five phases of the Emergency Water Supply Project and the current status of each phase.

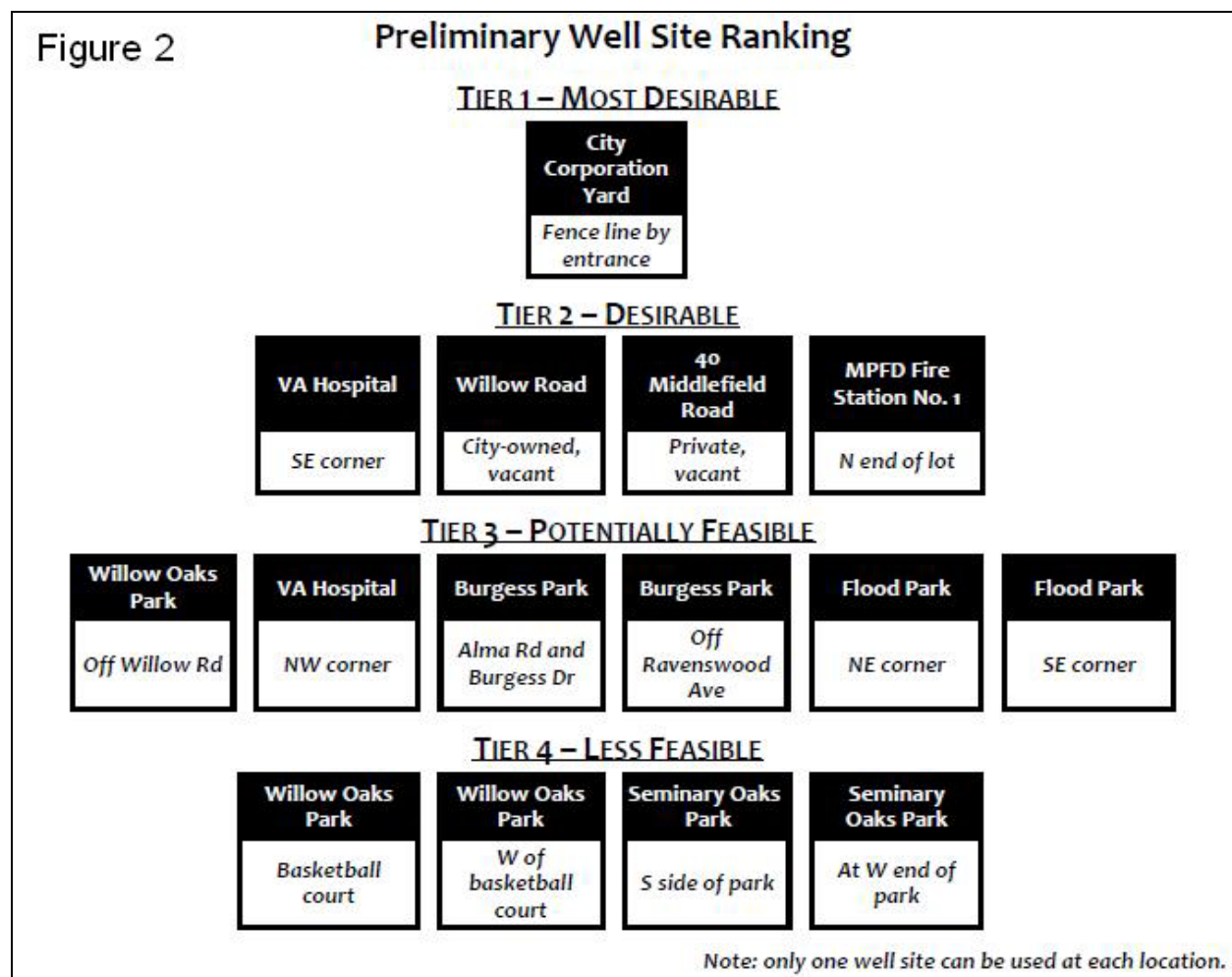
**TABLE 1**

<b>Phase</b>	<b>Description</b>	<b>Current Status</b>
1	Development of Screening Process, Community Input, and Preliminary Screening	Completed Oct 2010
2	Site Evaluation & Rankings	Site Evaluations completed in Oct 2010. Rankings completed in Nov 2011
3	Detailed Engineering and Hydrologic Evaluation, Outreach to Non-City Owned Properties	Completed Exploratory Borings at the Corporation Yard and Willow Rd. (formerly known as 878 Pierce Rd.) sites in Jan/Feb 2012. As additional well locations are identified in the future, detailed evaluations will need to be performed. Outreach to non-City owned properties are discussed further in this report.
4	CEQA Environmental Review, Well Design, Well Drilling	Staff is recommending proceeding forward with Phases 4 & 5 for a Corporation Yard Well. As additional well locations are identified in the future, Phases 4 & 5 will need to be performed.
5	Wellhead Facilities Design, Construction of Wellhead Facilities	

On November 15, 2011, the Council approved proceeding with Phase 3, Detailed Engineering and Hydrologic Evaluations at two City-owned properties - the Corporation Yard (Corp Yard) at 333 Burgess Drive and the Willow Road Site (formerly known as 878 Pierce Road) on the east side of the Willow Road and Highway 101 interchange. The November 15, 2011 staff report is attached for reference. Figure 2 shows the Preliminary Well Site Rankings by tiers.

## ANALYSIS

The City completed Phase 1 (Development of Screening Process, Community Input, and Preliminary Screening) and a portion of Phase 2 (Site Evaluations) in October 2010, and the rest of Phase 2 (Site Rankings) in November 2011.



## EXPLORATORY DRILLING RESULTS

The City completed Phase 3 (Detailed Engineering and Hydrologic Evaluation) at two City-owned properties – the Corporation Yard (the 4<sup>th</sup> well site delineated in the November 15, 2011 staff report) and the Willow Road Site, formerly known as 878

Pierce Road, in Jan/Feb 2012 and is now ready to present the findings, and seek Council approval for next steps.

1. Tier 1 Site - Corporation Yard - Exploratory Drilling Results

In February 2012 the City drilled an exploratory boring at the Corporation Yard, a Tier 1 site, and reached a depth of 730 feet. The project hydrogeologist (Clark GeoTechnical, Inc.) determined that a well constructed at this site may yield between 600 gpm to 900 gpm of water of unknown quality. Because a high proportion of clay was found above a depth of 188 feet and below a depth of about 292 feet, a well at this location would need to be drilled to a depth between 188 feet and 292 feet. The exploratory drilling report is available for review in the Engineering Division office.

Based on the exploratory drilling results of a projected yield between 600 gpm and 900 gpm, staff is recommending the Corporation Yard as a location for an emergency well and is seeking Council approval to proceed forward with the environmental review, well design, well construction, and wellhead facilities design. Further testing will be done during the well construction to determine water quality.

2. Tier 2 Site - Willow Road Site - Exploratory Drilling Results

In January 2012 the City drilled an exploratory boring at the Willow Road Site (formerly 878 Pierce Road), a Tier 2 site, and reached a depth of 750 feet. The project hydrogeologist (Clark GeoTechnical, Inc.) determined that a well constructed at this site may have a low yield (between 200 gpm to 400 gpm) and a potential for unknown water-quality issues. Because saline content was found below a depth of 350 feet, a well at this location would need to be drilled to a depth of less than 350 feet. The exploratory drilling report is available for review in the Engineering Division office.

Because the Willow Road Site's estimated low yields, staff recommends investigating other well locations more thoroughly before deciding whether to pursue a well at this location. In addition, based on these estimated low yields, staff believes that potential well sites located closer to the San Francisquito Creek would be more likely to provide higher yields, and a higher chance of meeting the 3,000 gpm goal with fewer wells.

**CORPORATION YARD WELL**

The next steps are Phase 4, which consists of environmental review, well design, and well drilling, and Phase 5, which consists of design and construction of the wellhead facilities. Based on the Corporation Yard's exploratory drilling results of a projected yield between 600 gpm and 900 gpm, staff is recommending the Corporation Yard as a location for an emergency well and is seeking Council approval to proceed forward with the environmental review, well design, well construction, and wellhead facilities design. The project involves several steps, so staff will return to Council in the future to approve

the environmental document, award the construction contract for the well drilling, and award the construction contract for the wellhead facilities.

The well would be located along the existing fence line at the left entrance to the Corporation Yard, and the project would require some shrub removal and realignment of the fence (Attachment B). The City's arborist believes that one of the three heritage trees in that vicinity – a 15-inch diameter red oak in poor condition due to extensive squirrel damage – should be removed. Staff anticipates that the remaining two heritage trees – a 19-inch tulip poplar and a 30-inch coast live oak - will be unaffected by this project. By keeping the well within the Corporation Yard fence, a well building would not be necessary. There may also be a potential to connect the new well to the existing onsite emergency generator and/or store the disinfection facilities elsewhere onsite, which could significantly reduce the well footprint and overall cost. These options would be fully explored during design.

In order to install the well at the Corporation Yard, a portion of the Burgess Drive right-of-way may need to be vacated. This is discussed further in this report. If needed, staff will return to Council at a later date with a resolution for the Intention to Vacate.

The Water District is an enterprise fund in which revenues generated from services provided (i.e. water sales) directly pay for District expenditures, and these revenues can only be used for this sole purpose. In order to install the well at the Corporation Yard, a City-owned property, the District must lease a portion of the Corporation Yard property just as any other entity would be required to do so. Staff plans to determine the value of the property where the well will be installed in order to develop a lease agreement between the District and the City.

### Environmental Quality Review

This project is subject to the California Environmental Quality Act (CEQA). Staff anticipates that the Corporation Yard well drilling and construction of the wellhead facilities will be covered by an Initial Study and Mitigated Negative Declaration (IS/MND), therefore, a complete Environmental Impact Report is not necessary. The environmental quality review process, which will be developed in parallel with the well design, will consist of the following steps.

1. Consultant to Prepare Environmental Report
2. Staff Review of Administrative Draft IS and Proposed MND, including technical reports
3. Staff to Review Screencheck and Public Review of the IS/MND
4. Consideration of Public/Staff Comments
5. Mitigation Monitoring and Reporting Plan (MMRP), Final MND, Notice of Determination (NOD), and Filing
6. Burgess Drive Plan Line & Right-of-Way Modification

The environmental quality review process would begin in February 2013 and last approximately 4-6 months. Staff anticipates returning to Council in summer 2013 to recommend approval of the environmental document.

### Burgess Drive Plan Line

Prior to 1994, the General Plan included an extension from Burgess Drive to Middlefield Road, which is shown in the 1974 Comprehensive Plan (the *Menlo Park Planning Area Map*) adopted by the Council and Planning Commission. In 1994 the General Plan was updated and the extension was removed. The Plan line is still in place.

On August 12, 1997, the City Council held a public hearing to approve the "Classics Communities" residential project and several residents asked about extending Burgess Drive through to Middlefield Road. At the September 9, 1997 City Council meeting, staff provided the following information:

- The City never owned the right-of-way to extend the street.
- The City does not have an easement to construct a road at that location.
- A plan line does exist which depicts where a future street could be located.
- The City would need to purchase the land in order to construct the new road.
- A traffic study was completed for the Classics Communities that showed a road extension might reduce vehicle traffic on Linfield Drive and Willow Road by approximately 1,000 vehicles, which staff felt did not justify a new roadway.
- Need to consider existing buildings and setback requirements if a new road is constructed.

SRI International is located adjacent to the Corporation Yard on Burgess Drive. SRI submitted their *Campus Modernization Project* for City review which shows a 25-year plan for the SRI campus. The project includes keeping Burgess Road as emergency only. Staff will need to further evaluate the Burgess Drive plan line, and will return to Council at a later date with recommendations.

### Well Construction (Drilling)

With Council approval of the construction contract the well drilling would likely occur in fall 2013 and would consist of continuous drilling for 24 hours a day for approximately 2-3 weeks. Due to the close proximity to adjacent residents and businesses, staff has included an acoustics engineer to design site-specific noise control measures to alleviate possible noise impacts to the community.

The well water will be tested for California Code of Regulations Title 22 compliance for primary and secondary standards. The Department of Public Health classifies wells as "active" or "standby." Active wells, with water quality testing requirements every 3 years, must meet all primary and secondary standards and have no restrictions on when the well can be used. Standby wells, with water quality testing requirements every 9 years, must meet all primary standards (but not secondary standards) and have

restrictions that the well cannot be used for more than 14 days per year or more than 5 consecutive days. To provide flexibility, staff believes that the well should be permitted as an “active” well as long as primary and secondary standards can be met. Note that the intent would be to use the well for emergency purposes only, but have the flexibility to provide well water during emergencies that last more than 14 days per year or more than 5 consecutive days.

Staff anticipates returning to Council in fall 2013 to recommend awarding of the well construction contract.

### Wellhead Facilities Construction

After the well is drilled and the wellhead facilities design is completed, staff will return to Council to obtain approval for the contract to construct the wellhead facilities. The wellhead facilities consist of above ground piping, electrical controls, disinfection facilities, and an emergency backup generator. Figure 4 below illustrates typical wellhead facility with aboveground piping. The well piping will be directly connected to the District’s underground water pipes. Construction would begin in spring/summer 2014 during normal business hours and last approximately 3 months. Staff anticipates returning to Council in spring 2014 to recommend awarding of the wellhead facilities construction contract.



Figure 4

### Community Outreach

If Council approves proceeding forward with the Corporation Yard well construction, staff will provide updates to nearby residents and businesses owners via postcard mailings, website updates and/or community meetings. These updates will occur during the following stages: environmental review process, prior to drilling the well, prior to designing the wellhead facilities, and prior to constructing the wellhead facilities.

### Design Contract

On November 15, 2011 the Council authorized an agreement with IEC to include the following: Phase 3 exploratory drilling activities at the Willow Road Site and the Corporation Yard, community outreach support, project management, and real estate acquisitions support (as needed), in an amount not-to-exceed \$318,873. Phase 3 is now complete for the exploratory drilling activities at the Willow Road Site and the Corporation Yard. To date, approximately \$25,000 of the contract amount remains for real estate acquisitions support (assistance with non-City owned property negotiations or easement establishment) if needed.

Based on staff’s history working with IEC, staff is recommending a new agreement with IEC in order to proceed forward with the Corporation Yard’s environmental review, well design, well construction, and wellhead facilities design, in an amount not-to-exceed \$430,691 which includes \$14,995 in optional tasks. Project tasks are shown below.

Project Tasks:

- Environmental Review for Well Drilling and Wellhead Facilities
- Well Design Plans, Specifications, and Estimate
- Wellhead Facilities Design Plans, Specifications, and Estimate
- Drinking Water Source Assessment and Permit Amendment
- *Optional*–Geotechnical Services. These services would only be needed if the wellhead facilities include a permanent structure. Permanent structures are defined as taller than 8-feet in height, or more than 64 square feet in floor area.

PROPOSED TIMELINE

DATE	DESCRIPTION
Spring/Summer 2013	CEQA Environmental Review
Summer 2013	Planning Commission Meeting for Environmental Document
Summer 2013	Council Meeting to Adopt Environmental Document
Summer 2013	Well Design Plans & Specs
Summer/Fall 2013	Bid Documents and Bid Process
Fall 2013	Contract Award to Drill Well
Fall 2013	Well Drilling
Winter 2014	Wellhead Facilities Design Plans & Specs
Spring/Summer 2014	Bid Documents and Bid Process
Summer/Fall 2014	Contract Award to Construct Wellhead Facilities
Fall 2014	Amend Drinking Water Permit

**ADDITIONAL WELL LOCATIONS**

At the November 15, 2011 meeting, the Council also authorized staff to gather additional information to evaluate if establishing an easement on non-City owned property, or purchasing a non-City owned Tier 2 and Tier 3 property where a well could be installed, were viable solutions.

40 Middlefield Road (Tier 2 Site) – Privately-Owned, Vacant Lot

There is a 50-year lease on this property that expires in 2050. Staff has spoken with the lease holder and his lease includes a clause that would prevent the City from constructing a well on the property. The lease holder has been trying to purchase the property from the owner for many years, and he would be interested in discussing a well on the property in the future if he succeeds.



## Fire Station No. 1 (Tier 2 Site) – Fire District Owned, 300 Middlefield Road

In early December, staff met with Fire Chief Harold Schapelhouman to discuss the emergency well project and the possibility of locating an emergency well at Fire Station No. 1 located at 300 Middlefield Road. During this meeting, Chief Schapelhouman requested that the City present the project to the Menlo Park Fire District Board. On January 15, 2013, staff presented the project to the Fire District Board, and they agreed that this is a vital project. They are open to further discussions with the City to better define the terms of an agreement. Staff will provide updates to the Council at a later date.

## Flood Park (2 Possible Sites) and the VA Hospital (2 Possible Sites)

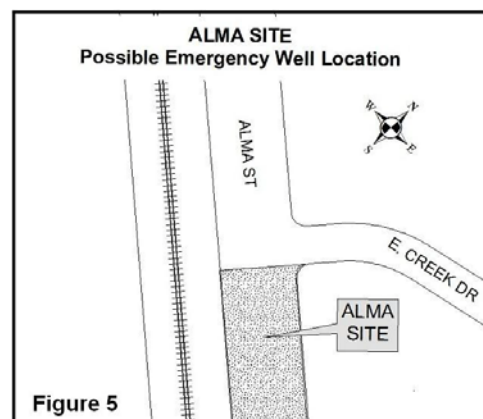
Based on the exploratory drilling results at the Willow Road site, and its distance from the San Francisquito Creek, staff believes that potential well sites located closer to the creek would likely provide higher yields, which would likely result in less wells needed to meet the 3,000 gpm goal. Therefore, staff believes it is not necessary to further investigate the Flood Park or the VA Hospital sites as possible emergency well locations.

## **TWO ADDITIONAL WELL SITES ANALYZED**

Originally, when considering possible well sites, staff looked at sites that were located within the District's eastern water service area only. This criterion reduced the construction costs associated with connecting to the existing water system. Due to the lower than anticipated yields from the Willow Road Site's exploratory drilling, staff investigated two other possible well locations. These two locations are outside of the eastern water service area but are within the City's Right-of-Way and located near the creek. These sites could generate higher yields, thus eliminating the need to acquire property, but would require constructing additional water pipes in order to connect into the district's existing water system. One property, the Pope/Laurel Site, is located within the City's Right-of-Way at the intersection of Pope Street and Laurel Avenue. The other property, the Alma Site, is also located within the City's Right-of-Way at the intersection of Alma Street and East Creek Drive.

### Alma Site

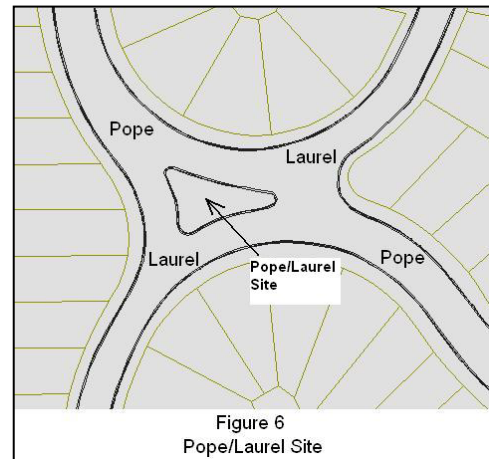
The Alma Site is located just east of the railroad tracks and adjacent to San Francisquito Creek (see Figure 5). The Alma Street Bicycle Bridge connects the Alma Site to the City of Palo Alto on the south side of the creek and is used throughout the day by both bicyclists and pedestrians. In 1999, the City installed native planting, lighting, and pathways to blend with the creek, bridge, and existing surroundings. Six interpretive plaques – three on



the Menlo Park site and three on the Palo Alto side – provide history and environmental information on the San Francisquito Creek Watershed. Evaluating this site based on the engineering and community criteria developed in Phase 1 and Phase 2, staff determined that this site falls into the Tier 3 category as a potentially feasible well location. Staff is recommending that the Alma Site be included in public outreach efforts for the Tier 3 possible well sites. The well would only affect a portion of the site and may be constructed within the street right-of-way.

### Pope/Laurel Site

The Pope/Laurel Site is located at the intersection of Pope Street and Laurel Avenue in the Willows residential neighborhood (see Figure 6). The large landscape island has many trees of which five are heritage trees. Evaluating this site based on the engineering and community criteria developed in Phase 1 and Phase 2, staff determined that it falls into the Tier 4 category as a least feasible well location and least likely to be used, therefore, staff is not recommending this site for further evaluation.

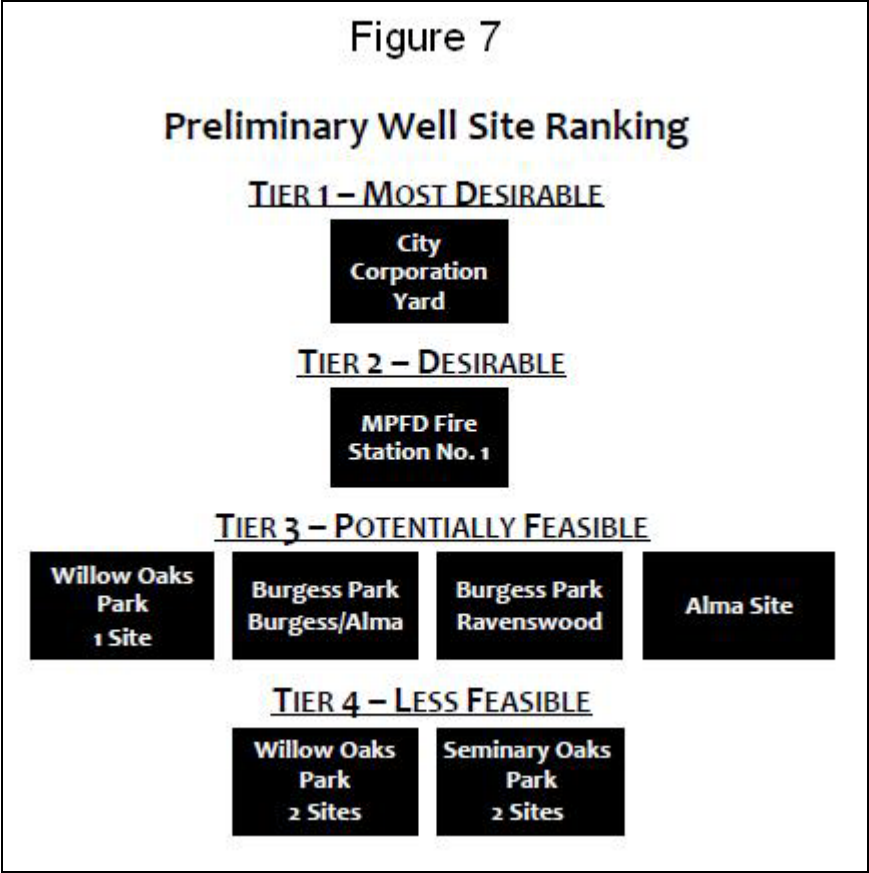


### Revised Well Site Rankings

The revised well site rankings are shown in Figure 7 below. Flood Park, the VA Hospital, and 40 Middlefield Rd. have been removed as possible well locations, and Alma Site has been added as a possible Tier 3 well location.

### Next Steps for Tier 2 and Tier 3 Sites

Staff is seeking authorization to proceed with a public outreach effort in 2013 for the Tier 2 and 3 sites shown in Figure 7 below. Staff will return to City Council at a later date to present the findings and may request authorization to drill exploratory borings at one or more locations to determine estimated yields.



**IMPACT ON CITY RESOURCES**

Funds are available in the approved budget for the Emergency Water Supply Project. Once the well is completed, staff estimates that the increased operation and maintenance costs for a Corporation Yard emergency well is approximately \$20,000 per year (equivalent to 0.25 FTE for staffing needs). Any additional impacts to City resources will be identified during the design phase.

Infrastructure Engineering Corporation (IEC)	\$430,691
Contingency (10%)	<u>\$43,000</u>
<b>TOTAL</b>	<b>\$473,691</b>

**POLICY ISSUES**

There is no existing City policy establishing capability or reliability expectations for the water system. The actions taken as part of this staff report pertain solely to this project and work toward improving water service reliability during an emergency if the current water supply was disrupted in the District’s Eastern Service Area.

The proposed project is consistent with the Menlo Park General Plan, Policy I-H-5, which states: “New wells and reservoirs may be developed by the City to supplement existing water supplies for Menlo Park during emergency and drought periods. Other

sources such as interconnections and purchase agreements with water purveyors shall be explored and developed.”

The proposed project is consistent with the 1994 General Plan in which an extension from Burgess Drive to Middlefield Road was removed.

## **ENVIRONMENTAL REVIEW**

Prior to final design and construction of the project, an initial study will be performed and, potentially, an Environmental Impact Report in order to comply with the California Environmental Quality Act (CEQA).

*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. November 15, 2011 Staff Report for Emergency Water Supply Project
- B. Picture of Corporation Yard Well



## PUBLIC WORKS DEPARTMENT

Council Meeting Date: November 15, 2011

Staff Report #: 11-192

Agenda Item #: F3

**REGULAR BUSINESS:** **Authorize the City Manager to Amend the Agreement with Infrastructure Engineering Corporation to Complete Phase 3 of the Emergency Water Supply Project, by an Amount Not to Exceed \$318,873 and Authorize Staff to Gather Additional Information to Evaluate the Feasibility of Easement Establishment or Purchase of Non-City Owned Tier 2 and Tier 3 Properties**

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### RECOMMENDATION

Staff recommends that the City Council:

1. Authorize the City Manager to amend the agreement with Infrastructure Engineering Corporation to complete Phase 3 of the Emergency Water Supply Project, by an amount not to exceed \$318,873 (budgeted funds)
2. Authorize staff to gather additional information to evaluate the feasibility of easement establishment or purchase of non-City owned Tier 2 and Tier 3 properties

### BACKGROUND

The Menlo Park Municipal Water District (MPMWD) serves approximately 14,000 residents through two service areas; the eastern and western service areas, with approximately 3,000 service connections in the eastern service area and 1,000 service connections in the western service area. The area of the City between the western and eastern service areas is serviced by California Water Service (Cal Water). See Attachment A for a map of the MPMWD service area.

MPMWD purchases 100% of its water from the San Francisco Public Utilities Commission (SFPUC), which pipes water to the peninsula area from the Hetch Hetchy reservoir in Yosemite National Park. Currently, MPMWD has two reservoirs in the western service area that provide storage for use in the event of an emergency, but the eastern service area does not have storage facilities, nor a dedicated secondary water supply that could be used in the event of a SFPUC service disruption. As a result, nearly 3,000 residents and businesses could be without water immediately for an undetermined period of time if earthquake or other disaster interrupts service from SFPUC.

In order to address the need for an alternative supply in the eastern service area, the MPMWD has been pursuing the current emergency water supply project since 2005. The initially proposed project included a reservoir with an emergency well at Seminary Oaks Park, but after receiving input from nearby residents, the project was redirected to

a wells only approach that would place emergency well facilities at strategic locations within the eastern service area.

In order to proceed with the wells only approach, the Council authorized staff to proceed with a wells siting study (October 2009) to determine how to best deliver at least 3,000 gallons per minute (gpm) of emergency water supply to the eastern service area. The 3,000 gpm goal approximates the amount of water that would be needed to meet the average day demand of approximately 1,600 gpm plus fire flow of 1,500 gpm. Based on this study, the required flow rate is expected to be achieved with the development of two to three productive wells. The proposed well facilities would be designed to house the wellhead, an emergency generator, water treatment facilities, and associated plumbing. It is anticipated that the facility would be approximately 1,500 square feet, however the actual size and configuration will be dependent on site conditions. Since most locations require a structure to secure the well, the architectural design will be evaluated for each specific site to ensure that the aesthetics of the proposed structure blends well with surrounding buildings.

To determine the preferred well locations, staff recommended taking a three phase approach to site selection. Phase 1 would consist of determining the preliminary screening criteria for the proposed well sites; Phase 2 would consist of site specific evaluation and ranking criteria to select sites; and Phase 3 would consist of detailed engineering feasibility assessments to verify hydraulic capacity and preliminary site layout, following the completion of the first two phases.

In October 2010, the Council approved the Phase 1, Preliminary Screening criteria and Phase 2, Site Evaluation and Ranking criteria as guidelines for staff to select sites. These criteria consisted of technical and hydrogeologic criteria, engineering feasibility criteria, and community “livability” criteria. Table 1, below, outlines the major technical, engineering and community criteria gathered as part of this process.

Table 1

<b>PHASE 1 PRELIMINARY SCREENING</b>
<b>Technical and Hydrogeologic Criteria</b>
1. Within or in close proximity to the water district’s eastern service area to avoid the need for extensive additional infrastructure
2. Within the San Francisquito Cone, the subsurface alluvial deposit that contains the area’s producing aquifers
3. Located ½ mile or greater from potential saltwater contamination, including the San Francisco Bay margin and salt evaporation ponds
4. Located where the San Francisquito Cone is thicker for best production
5. Located to limit interference with other existing wells.

<b>PHASE 2 SITE EVALUATION &amp; RANKING</b>	
<b>Engineering Criteria</b>	<b>Community Criteria</b>
Acquisition Feasibility	Site Access
Site Hydrogeology	Noise Disturbance Potential
Construction Feasibility	Aesthetic Concerns
Operation & Maintenance Feasibility	Parkland Concerns
Regulatory Compliance	Land Use Planning Consistency
Hydraulic Considerations	
Environmental Factors	
Construction Cost	

## **ANALYSIS**

### **RESULTS OF PHASE 1 – PRELIMINARY SCREENING**

Utilizing the technical and hydrogeologic criteria set forth by the preliminary screening process, staff identified 15 potentially suitable locations offering 26 individual sites that could accommodate the new wells. The locations included five City-owned properties, six privately-owned properties, and four publicly owned properties (properties owned by government agencies outside of the City).

Through the established process, non-City owned property would only be considered if the owner was open to sale or establishment of an easement to accommodate the project. Therefore, staff has made initial contact with each property to gauge interest in establishing an easement or selling land to the City. The result was the elimination of six of the 15 locations under initial consideration. Despite this reduction of potential sites, there were still nine locations with 17 potential well sites that would be considered for the project (See Attachment B for map).

### **RESULTS OF PHASE 2 –SITE EVALUATION AND RANKING**

Phase 2 used a combination of engineering, regulatory, environmental, and community-based criteria to rank the nine locations (17 well sites) from Phase 1 and identify a “short list” of top-ranked sites that should be studied in detail. Staff anticipates that approximately two to three well sites will be needed to meet the 3,000 gpm goal, which would be verified through Phase 3 detailed studies.

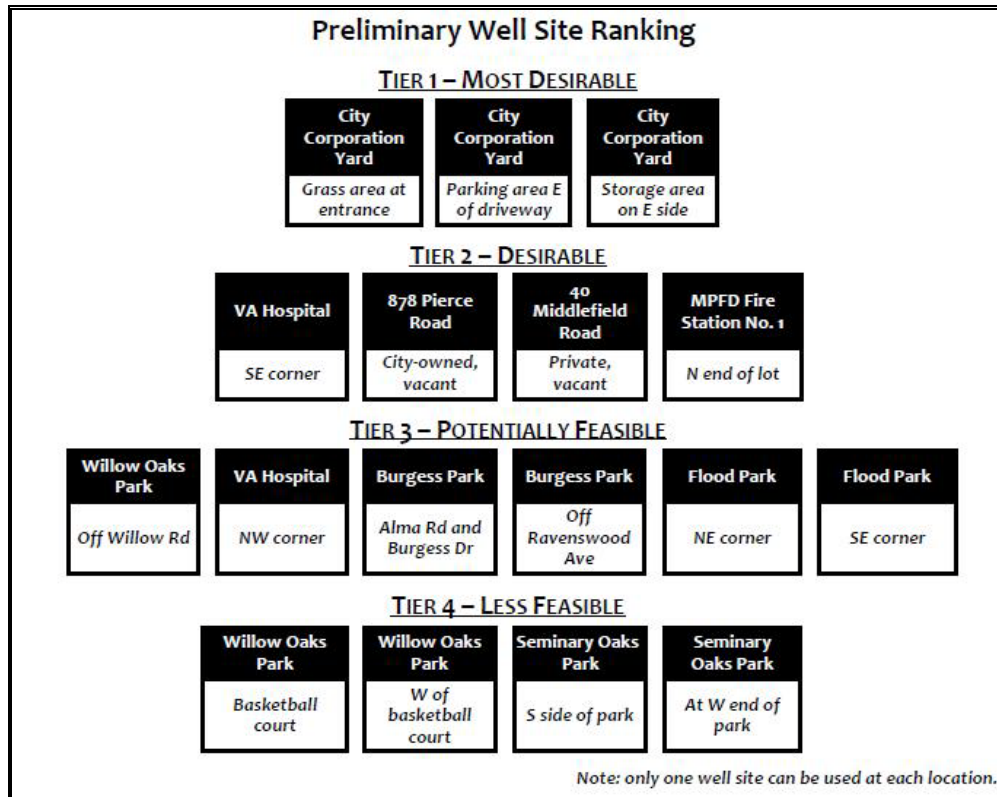
Site evaluation and ranking took place in three steps.

1. First, the remaining nine locations (17 well sites) were individually evaluated based on engineering and community criteria. The engineering evaluation was quantitative, with higher scores representing more favorable sites. The community factors evaluation was non-quantitative due to the subjective nature of the criteria evaluated.
2. Next, the engineering and community evaluations for each site were combined into an overall assessment.
3. Finally, the sites were ranked into four tiers shown below – from Tier 1, representing the most overall desirable sites, to Tier 4, the sites to be less feasible (unfavorable from either the engineering or community perspective), and least likely to be used.

The evaluation process was performed by staff and the City's consultant, Infrastructure Engineering Corporation (IEC) based on the Phase 2 criteria. A summary of the detailed scoring and evaluation for the Preliminary Site Ranking can be found in Attachment C.

Figure 1, below, shows the Preliminary Well Site Ranking by tiers. All sites within each tier are considered to have equal rank, however only one site could be used from each location. (For example, Tier 1 has three potential well sites at the Corporation Yard; however, only one of these sites would be utilized for a well.)

Figure 1



- **Tier 1** sites are deemed **Most Desirable**. These are the most appealing sites and are the current front-runners for well installation. Since all the sites are located at the City's Corporation Yard (Corp Yard) on Burgess Dr., only one of these sites would be used.
- **Tier 2** sites are deemed **Desirable**. These sites have high potential for success, and because more than one well is anticipated, it is likely that at least one of these sites may be used. "Tier 2" sites are the VA Medical Center on Bay Road; a City-owned vacant lot at 878 Pierce Road; a privately owned vacant site at 40 Middlefield Road; and the Menlo Park Fire District's (MPFD) Fire Station No. 1 on Middlefield Rd.
- **Tier 3** sites are deemed **Potentially Feasible**. It is possible that one of these sites may be used in order to meet the goal of 3,000 gallons per minute. "Tier 3" sites are Willow Oaks Park on Willow Rd., Burgess Park, Flood Park on Bay Rd., and the VA Medical Center on Willow Rd.
- **Tier 4** sites are deemed **Less Feasible**. These sites would have even less



likelihood of being used unless the goal of 3,000 gallons per minute cannot be met using Tier 1, Tier 2, and Tier 3 sites. "Tier 4" sites are Willow Oaks Park on Willow Rd. and Seminary Oaks Park on Santa Monica Ave.

Staff held two community meetings on August 29, 2011 and September 8, 2011 to present the Preliminary Well Site Rankings to the community and receive feedback on the preferred emergency well locations. Postcards announcing the meetings were mailed to all property owners and residents in the MPMWD service area east of El Camino Real and to property owners and residents within 750 feet of any potential well site location. In addition staff placed notices in *The Almanac*, sent out email blasts to park user groups and project website subscribers, and updated the project website. Eight people attended the August meeting, which was held at the Arrillaga Family Recreation Center, and seventeen people attended the September meeting, which was held at the Senior Center in the Belle Haven neighborhood. In general, the attendees were supportive of using the Corp Yard and 878 Pierce Rd. since both are City-owned sites and do not impact parklands. In addition to this, the Corp Yard sites were appealing to most because the proposed well would be consistent with other uses at this location. 878 Pierce Rd. was considered especially attractive because it is the only site east of US-101; residents of the Belle Haven neighborhood were especially supportive of this location. The privately owned site at 40 Middlefield Rd. was also identified as desirable because of its currently vacant/blighted status and there was also general support for the MPFD Fire Station No. 1 site because a well would be a complimentary use and the site is already developed.

Staff felt it necessary to get input from the residents surrounding the Corp Yard (as no one from these neighborhoods attended the Community Meetings) to determine which of the three potential well locations would be most desirable. Staff contacted and met with residents from the Burgess Classics neighborhood, located west of the Corp Yard. In general, the Burgess Classics residents felt that the Corp Yard already experiences a bottleneck of traffic, and that during an emergency, a well at that location would cause additional traffic problems if emergency vehicles or residents were routed to the well for fire water or drinking water. For this reason, the residents recommended utilizing a site that is located on an arterial route within the City. When discussing the specific locations at the Corp Yard, they felt that Site 7A was too close to their neighborhood and that eliminating the grassy area for this site was not favorable. They preferred either Site 7B or 7C because both would be hidden from view (see Figure 2).

Staff also communicated with the apartment property owners adjacent to the Corp Yard about the proposed sites. The apartment property owners felt that Sites 7B and 7C were too close to their 2-story apartments and would add additional noise to the everyday Corp Yard maintenance noise their tenants already endure. They felt that the existing 6-foot wooden fence separating their properties from the Corp Yard was insufficient to block existing noise and they hoped the City could upgrade the fence to a sound wall if Site 7B or 7C was chosen for the well.

## **RECOMMENDED SITE SELECTION**

Based on the Preliminary Site Ranking, and the information gathered from the community through the public outreach process, staff recommends the following sites for inclusion in the Phase 3 investigation.

## Tier 1 – Corp Yard Site

In response to the concerns of both the apartment property owners and the Burgess Classics owners, staff investigated alternative locations within the Corp Yard and has found one site in particular that appears to meet some of the needs of both groups. The 4<sup>th</sup> well site is located just north of site 7A along the existing fenceline of the Corp Yard. This site would require the removal of some shrubs and realignment of the Corp Yard fence, but it would likely not require the removal of heritage trees or the grass landscape area. From an operational point of view, this location is in an area of the Corp Yard that is not heavily used and it is far enough away from underground obstacles (sewer/storm mains and laterals, gas tanks, etc.) to maintain the required “50-foot zone of control.” In addition, by keeping the well facility inside the Corp Yard area, there is the potential to connect the new facility to the onsite emergency generator, which could significantly reduce the building footprint and cost of the facility. However, this option will need to be fully explored through the design process. The nearest resident would be approximately 135 feet from the wellhead. With these potential benefits, Staff believes that the 4<sup>th</sup> Corp Yard site is the most feasible location for an emergency well and recommends it be included in the Phase 3 detailed engineering and hydrologic evaluations. Figure 2, below, shows an aerial view of the Corp Yard with the 4<sup>th</sup> well site identified.

Figure 2



Corp Yard - 4th Well Site

## Tier 2 - 878 Pierce Road (City-Owned Property)

Based on the Preliminary Site Ranking and community input, Staff recommends including the 878 Pierce Road site in the Phase 3 detailed engineering and hydrologic

evaluations. This is the only City-owned property of the four Tier 2 sites and it is east of US-101.

### **PHASE 3 – DETAILED ENGINEERING AND HYDROLOGIC EVALUATIONS**

For the third phase of the project, staff recommends performing a detailed investigation at the above mentioned sites. In order to verify the availability of water at the various locations, the project geotechnical engineer will drill exploratory borings, extending from the surface into the deep aquifer, in order to establish the groundwater elevation and the hydraulic conductivity of the soil. This process is expected to take approximately 10 days and would occur during normal construction hours (not 24 hours/day). The City's noise ordinance limits construction noise emitted by power equipment to 85 decibels (dBA) at all times. The noise level generated by a standard truck-mounted drilling equipment is on the order of 78 dBA at a distance of 50 feet, and typical acceptable noise levels in residential areas are in the order of 60 dBA. Staff anticipates using noise barriers to reduce the noise levels (about 10 dBA at the source) so it is more acceptable to nearby residents.

With the information gathered through this process, an expected flow rate at each site can be determined and it can be determined whether a third well site, and possibly a fourth, will be required. Prior to investigating the third and/or fourth site, staff will return to Council to present the findings of the top two well site candidates and request authorization for specific site investigation at the additional site(s), if necessary.

In the event that a second Tier 2 site is needed to meet the 3,000 gpm goal, the remaining Tier 2 sites are:

1. The VA Medical Center off of Willow Rd.
2. 40 Middlefield Road
3. The MPFD Fire Station No. 1 on Middlefield Rd.

As these are not City-owned sites, the City would need to reach agreement with one of these properties for either sale or establishing an easement in order to construct a well. Staff has already made initial contact with these properties and is recommending that Council authorize staff to proceed forward and have further discussions with these properties to determine if either sale or establishing an easement would be feasible.

If one of these properties is willing to sell or establish an easement with the City, staff will return to Council at a later date to present the findings and request authorization to drill an exploratory boring at that location. In the event that none of the property owners will work with the City, staff would then look to the Tier 3 locations for a third well site.

The six potential well sites in Tier 3 are:

1. Willow Oaks Park off of Willow Rd.
2. The VA Medical Center northwest corner off of Bay Rd.
3. Burgess Park at the corner of Alma St./Burgess Dr.
4. Burgess Park adjacent to the library on Ravenswood Ave.
5. The northeast corner of Flood Park
6. The southeast corner of Flood Park off of Bay Rd.

The Willow Oaks Park and Burgess Park sites are currently owned by the City and would not require easement or sales negotiations. If all of the Tier 2 site options have been exhausted and a Tier 3 site is needed, staff would return to Council at a later date for authorization to drill an exploratory boring at one of these sites.

Following the completion of Phase 3 and the hydrologic determination of the proposed well sites, staff will return to Council to request authorization to begin the project's final design (Phase 4). This phase of the project will include CEQA review and preparation of construction documents.

**PROPOSED TIMELINE:**

Winter/Spring 2012	Drill exploratory borings to determine viability
Spring 2012	City Council meeting to present exploratory drilling results for the Corp Yard and 878 Pierce Rd.; provide status of property negotiations with non-City-owned sites, if required; and request authorization for specific site investigation at additional site(s), if needed
Summer 2012	City Council meeting to seek authorization to proceed with final design and CEQA process for all proposed well sites
Fall 2012	City Council meeting to seek authorization to begin construction

**AMENDMENT TO INFRASTRUCTURE ENGINEERING CORPORATION (IEC) AGREEMENT**

In October 2006 the Council authorized a contract with Infrastructure Engineering Corporation (IEC) for preliminary design engineering services and outreach for a reservoir and supplemental water system project. In May 2010, IEC's scope of work was changed to identify and evaluate viable emergency well sites in and around the eastern service area with the goal to produce approximately 3,000 gpm of emergency groundwater. This agreement was for \$165,966 and covered consultant activities for Phase 1 (Preliminary Screening) and Phase 2 (Site Evaluation and Ranking). Phases 1 and 2 are now completed, and all funds have been expended.

In order to proceed with Phase 3 (Detailed Engineering and Hydrologic Evaluations), staff is recommending the Council authorize an amendment to IEC's agreement. The scope of work includes the Phase 3 hydrologic evaluation, preparing and submitting the CEQA Notice of Exemption, and performing exploratory drilling activities at the Corp Yard and 878 Pierce Rd. It also includes community outreach support, project management, and real estate acquisitions support (as needed), in an amount not-to-exceed \$318,873.

**IMPACT ON CITY RESOURCES**

Funds are available in the approved budget for the Emergency Water Supply Project.

## POLICY ISSUES

There is no existing City policy establishing capability or reliability expectations for the water system. The actions taken as part of this staff report pertain solely to this project and work toward improving water service reliability in MPMWD's Eastern Service Area.

The proposed project is consistent with the Menlo Park General Plan, policy I-H-5, which states: "New wells and reservoirs may be developed by the City to supplement existing water supplies for Menlo Park during emergency and drought periods. Other sources such as interconnections and purchase agreements with water purveyors shall be explored and developed.

## ENVIRONMENTAL REVIEW

Prior to drilling geotechnical borings to confirm the viability of the top-ranked sites, staff will file a California Environmental Quality Act (CEQA) Notice of Exemption (NOE). It is expected that the proposed exploratory borings will be exempt from CEQA as Section 15306 establishes a categorical exemption for basic data collection and resource evaluation activities in support of project "which a public agency has not yet approved, adopted, or funded."

Prior to final design and construction of the project, an initial study will be performed and, potentially, an Environmental Impact Report in order to comply with the California Environmental Quality Act (CEQA).



Matt Oscamou  
Interim Engineering Services Manager



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Charles W. Taylor  
Interim Public Works Director

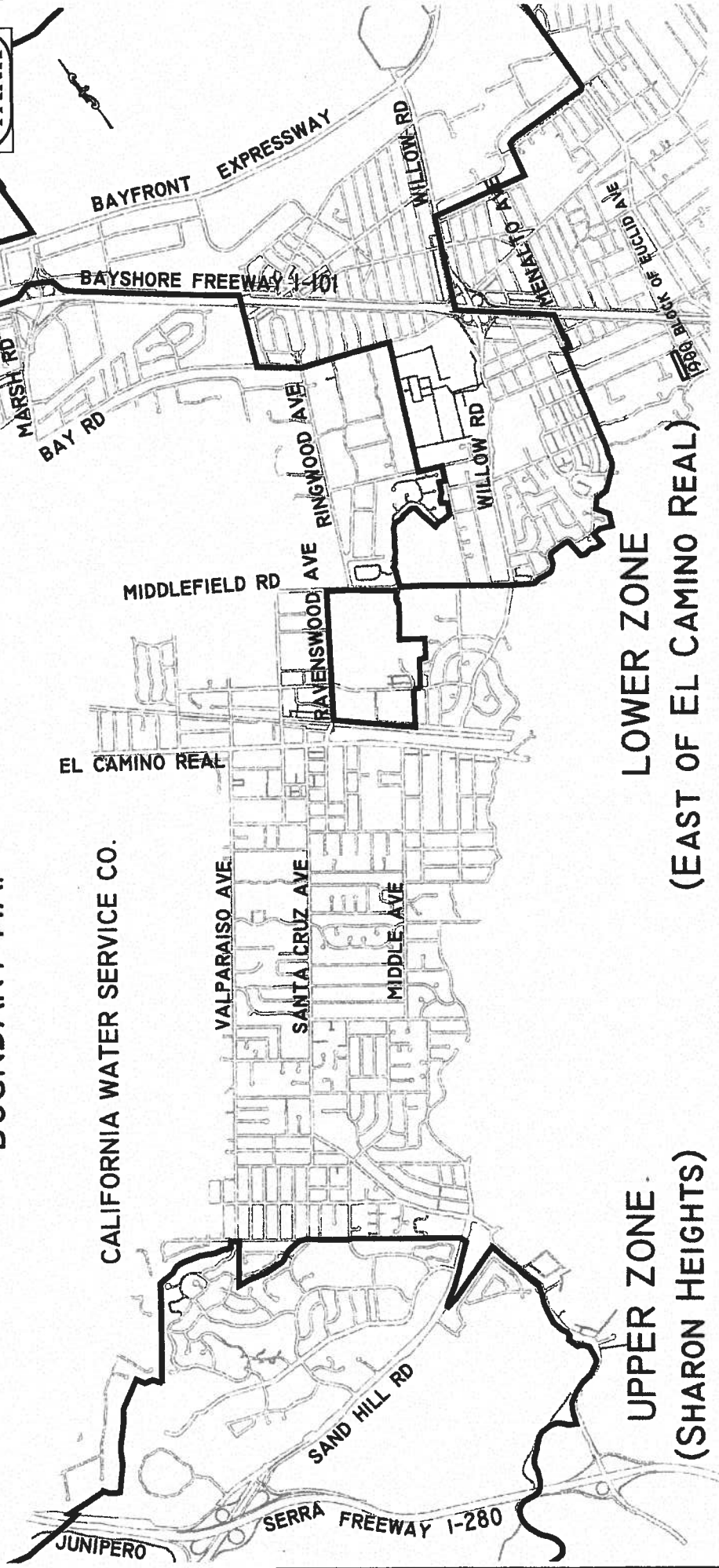
**PUBLIC NOTICE:** Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

**ATTACHMENTS:**

- A. Map - Menlo Park Municipal Water District Service Areas
- B. Map – Potential Emergency Well Locations
- C. Chart – Site Scoring and Ranking



CITY OF MENLO PARK  
**MUNICIPAL WATER DISTRICT**  
 BOUNDARY MAP

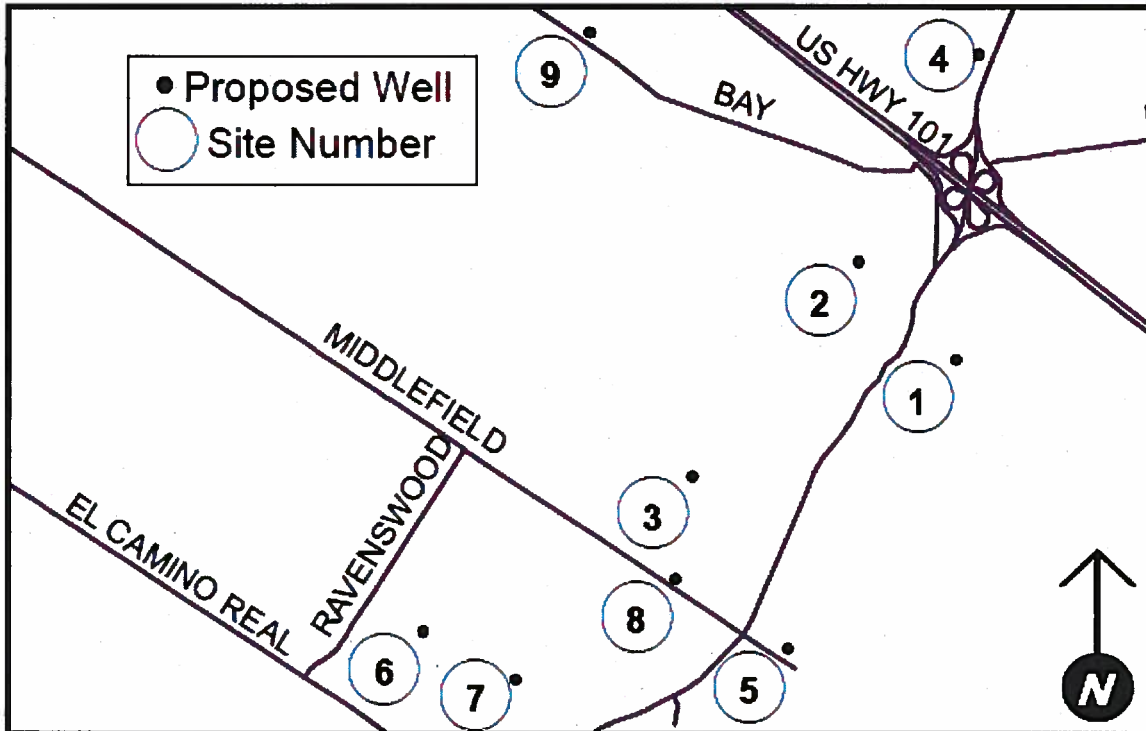


UPPER ZONE  
 (SHARON HEIGHTS)

LOWER ZONE  
 (EAST OF EL CAMINO REAL)

CALIFORNIA WATER SERVICE CO.

MAP OF POTENTIAL WELL SITES



Site #	Location
1	Willow Oaks Park
2	VA Medical Center
3	Seminary Oaks Park
4	878 Pierce Road (City-Owned)
5	40 Middlefield Road
6	Burgess Park
7	City Corporation Yard
8	MPFD Fire Station No. 1
9	Flood Park

Combined Scores, Engineering Feasibility Factors

Site	Criterion 1	Criterion 2			Criterion 3		Criterion 4	Criterion 5	Criterion 6	Criterion 7			Criterion 8	Total Points	Percentage	Overall**
	Acquisition Feasibility	Site Hydrogeology			Construction Feasibility		O&M Feasibility	Regulatory Compliance	Hydraulic Considerations	Environmental Factors			Construction Cost			
	1	2A	2B	2C	3A	3B	4	5	6	7A	7B	7C	8			
	Property Ownership	Specific Capacity	Potential Salinity/TDS	Distance to Other Wells	Site Access	Staging Availability	O&M Access	Site Constraints	Water System Hydraulics	Site Contamination	Special-Status Species	Construction Traffic	Extra Costs (New and Upgraded Pipe, Access)			
<b>Maximum Points Possible</b>	3	3	3	3	3	3	3	3	3	3	3	3	4	40		
1A – Willow Oaks Park: grassy area adjacent to Willow Road	3	3	3	3	2	3	2	2	3	2	2	2	2	32	80%	
1B – Willow Oaks Park: grassy area west of basketball court and south of tennis courts	3	3	3	3	2	3	2	2	3	2	2	2	1	31	78%	
1C – Willow Oaks Park: Basketball court/asphalt area west of preschool and south of tennis courts	3	3	3	3	2	3	2	2	3	2	3	2	1	32	80%	
2A – Veterans’ Administration Hospital: near southerly corner, northeast of intersection between South	2	3	3	2	2	2	2	3	3	2	2	2	1	29	73%	
2B – Veterans’ Administration Hospital: northwest corner	2	3	3	2	2	2	2	3	2	2	2	2	1	28	70%	
3A – Seminary Oaks Park: along south property line adjacent to pathway	3	3	3	2	2	2	2	2	3	2	2	2	3	31	78%	
3B – Seminary Oaks Park: west end of park parcel, in grassy area adjacent to curve in footpath	3	3	3	2	2	2	2	2	2	2	2	2	1	28	70%	
4 – 878 Pierce Road	3	2	3	3	2	3	3	2	3	2	2	2	3	33	83%	
5 – 40 Middlefield Road	1	3	3	2	3	3	3	2	2	2	3	3	1	31	78%	
6A – Burgess Park: near intersection of Alma Road and Burgess Drive	3	1	3	3	3	3	3	3	3	2	2	2	1	32	80%	
6B – Burgess Park: along Ravenswood Avenue on west side of parcel	3	1	3	3	2	3	3	3	2	2	2	2	1	30	75%	
7A – City Corporation Yard: grassy area to the left of Corporation Yard entrance	3	2	3	3	3	3	3	2	3	2	2	3	4	36	90%	
7B – City Corporation Yard: paved parking area east of entrance driveway	3	2	3	3	3	3	3	2	3	2	3	3	4	37	93%	
7C – City Corporation Yard: materials storage area on east side of parcel	3	2	3	3	3	3	3	2	3	2	3	3	2	35	88%	
8 – Fire Station No. 1: northern portion of parcel, specific location TBD pending proposed remodel	2	3	3	2	3	3	3	2	3	2	3	2	1	32	80%	
9A – Flood Park, northeast corner adjacent to tennis courts	2	1	3	2	3	3	3	2	3	2	3	2	1	30	75%	
9B – Flood Park, southeast corner off Bay Road	2	1	3	2	3	3	3	2	3	2	3	2	1	30	75%	

\*\*The matrix below shows the percentage ranges for the overall color “scores.” See text for additional discussion.

Red Unfavorable		Yellow Conditionally Acceptable		Green Favorable	
Low	High	Low	High	Low	High
0%	69%	70%	84%	85%	100%



Combined Scores, Community "Livability" Factors

Site	Criterion 1				Criterion 2		Criterion 3	Criterion 4		Criterion 5		Criterion 6		Overall**
	Site Access				Noise Disturbance Potential (Proximity to Sensitive Receptors)		Aesthetic Concerns	Parkland Concerns		Land Use Planning Consistency		Bonus Options		
	1A	1B	1C	1D	2A	2B	3A	4A	4B	5A	5B	6A	6B	
	Use of Residential Streets <sup>1</sup>	Access via Cul-de-sac	Adequate Construction Access	Adequate Maintenance Access	Proximity to Residential	Proximity to Non-Residential	Potential for Aesthetic Design	Loss of Parklands	Extent of Parkland Loss	General Plan	Current Site Zoning	Potential to Combine Projects	Potential for Green Design	
1A – Willow Oaks Park: grassy adjacent to Willow Road														Total green = 5, total red = 3
1B – Willow Oaks Park: grassy area west of basketball court and south of tennis courts														Total green = 5, total red = 4
1C – Willow Oaks Park: Basketball court/asphalt area west of preschool and south of tennis courts														Total green = 4, total red = 5
2A – Veterans' Administration Hospital: near southerly corner, NE btw South Perimeter Road and West Perimeter Road														Total green = 8, total red = 0
2B – Veterans' Administration Hospital: northwest corner														Total green = 7, total red = 0
3A – Seminary Oaks Park: along south property line adjacent to pathway														Total green = 3, total red = 4
3B – Seminary Oaks Park: west end of park parcel, in grassy area adjacent to curve in footpath														Total green = 2, total red = 4
4 – 878 Pierce Road														Total green = 8, total red = 1
5 – 40 Middlefield Road														Total green = 8, total red = 0
6A – Burgess Park: near intersection of Alma Road and Burgess Drive														Total green = 6, total red = 1
6B – Burgess Park: along Ravenswood Avenue on west side of parcel														Total green = 7, total red = 1
7A – City Corporation Yard: grassy area to the left of Corporation Yard entrance														Total green = 8, total red = 1
7B – City Corporation Yard: paved parking area east of entrance driveway														Total green = 8, total red = 1
7C – City Corporation Yard: materials storage area on east side of parcel														Total green = 8, total red = 2
8 – Fire Station No. 1: northern portion of parcel, specific location TBD pending proposed remodel														Total green = 8, total red = 0
9A – Flood Park : northeast corner near end of Iris Lane														Total green = 6, total red = 2
9B – Flood Park: southeast corner off Bay Road														Total green = 7, total red = 2

\*\*Overall scores were derived as shown in the matrix below; see text for additional information. Note that basic overall scoring was based on Criteria 1 through 5; a green rating for either bonus option was considered to add to a site's overall appeal, but the lack of a bonus factor was not considered a deficit.

Overall Evaluation	Summary
Overall Favorable	Site evaluation dominantly Favorable, with no preclusory concerns identified. To qualify, site rates as Favorable for eight or more of the 11 criteria, representing a "more than 70% Favorable" status. Other (non-green) criteria may be either yellow or green; individual red ratings do not preclude an overall green score.
Overall Unfavorable	Site evaluation is dominantly Unfavorable, or has one or more preclusory concerns identified. To qualify, site rates as Unfavorable for four or more of the 11 criteria – rationale for threshold is that if a site is rated Unfavorable for more than 30% (approximately one-third) of the evaluation categories, it is likely to be a "problem" site that would be particularly undesirable from the community perspective.
Overall Conditionally Acceptable	Site evaluation mixed, but no preclusory concerns identified. All remaining sites not identified as overall Favorable or Unfavorable were considered to be in this category. In practice, these sites all turned out to have more than four categories that rated non-green (red or yellow) and no more than three categories that rated red, but note that a site could have up to three red ratings and still achieve an overall score of yellow. Also note that the sites with an overall yellow score have a wide range of "greenness" (total number of green ratings).

## Combined Site Evaluations: Engineering + Community Criteria

Proposed Well Sites	Overall Engineering Evaluation	Overall Community Factors Evaluation
1A – Willow Oaks Park: Hilly grassy area adjacent to Willow Rd.		
1B – Willow Oaks Park: Grassy area west of basketball court and south of tennis courts		
1C – Willow Oaks Park: Basketball court/asphalt area west of preschool and south of tennis courts		
2A – Veterans’ Administration Hospital: Near southerly corner, northeast of Perimter intersection		
2B – Veterans’ Administration Hospital: Northwest corner, in front yard area of existing residence		
3A – Seminary Oaks Park: South edge of park parcel		
3B – Seminary Oaks Park: West edge of park parcel		
4 – 878 Pierce Road		
5 – 40 Middlefield Road		
6A – Burgess Park: Near intersection of Alma Road and Burgess Drive		
6B – Burgess Park: Adjacent to library along Ravenswood Avenue		
7A – City Corporation Yard: Grassy area to the left of Corporation Yard entrance		
7B – City Corporation Yard: Paved parking area east of entrance driveway		
7C – City Corporation Yard: Materials storage area at east corner of parcel		
8 – MFPD Fire Station No. 1: Northern portion of parcel adjacent to Santa Monica		
9A - Flood Park, northeast corner adjacent to tennis courts		
9B - Flood Park, southeast corner off Bay Road		

**Preliminary Site Ranking**

**TIER 1**

<b>7A – City Corporation Yard</b>	
Eng	Com

<b>7B – City Corporation Yard</b>	
Eng	Com

<b>7C – City Corporation Yard</b>	
Eng	Com

**TIER 2**

<b>2A – VA Hospital</b>	
Eng	Com

<b>4 – 878 Pierce Road</b>	
Eng	Com

<b>5 – 40 Middlefield Road</b>	
Eng	Com

<b>8 – Fire Station No. 1</b>	
Eng	Com

**TIER 3**

<b>1A– Willow Oaks Park</b>	
Eng	Com

<b>2B – VA Hospital</b>	
Eng	Com

<b>6A – Burgess Park</b>	
Eng	Com

<b>6B – Burgess Park</b>	
Eng	Com

<b>9A – Flood Park</b>	
Eng	Com

<b>9B – Flood Park</b>	
Eng	Com

**TIER 4**

<b>1B – Willow Oaks Park</b>	
Eng	Com

<b>1C – Willow Oaks Park</b>	
Eng	Com

<b>3A – Seminary Oaks Park</b>	
Eng	Com

<b>3B – Seminary Oaks Park</b>	
Eng	Com





# COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: January 22, 2013  
Staff Report #: 13-013

Agenda Item #: F-3

**REGULAR BUSINESS:** Consider the Term Sheet for the Development Agreement for the Facebook West Campus Project Located at the Intersection of Bayfront Expressway and Willow Road

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## RECOMMENDATION

Staff recommends that the City Council approve the proposed Term Sheet for the Facebook West Campus Development Agreement (Attachment A) and proceed with the project review process according to the following schedule:

- February 6: Housing Commission recommendation on the Below Market Rate Housing Agreement;
- February 25: Planning Commission public hearing and recommendation on all aspects of the project;
- March 19: City Council public hearing and first step of actions on all aspects of the project; and
- April 2: City Council second (and final) step of actions on all aspects of the project.

## BACKGROUND

### Proposed Project

The City is currently processing land use entitlements associated with the Facebook West Campus proposal, which is the second phase of the Facebook Campus Project. The approximately 22-acre West Campus is located at the intersection of Willow Road and Bayfront Expressway. The site is currently addressed 312 and 313 Constitution Drive, with the anticipation that the address will be updated in the near future. The project site currently includes two legal parcels. The existing development on the western portion of the site includes two vacant office buildings totaling 127,246 square feet, a surface parking lot, landscape features, a basketball court and a guard house. The eastern portion of the site includes no improvements and minimal vegetation.

This second phase of the Project proposes demolition of the existing two buildings and associated site improvements. Subsequently, the applicant seeks to construct an approximately 433,555-square-foot building on top of surface parking that would include approximately 1,501 parking spaces. As designed, the project would accommodate

approximately 2,800 employees to occupy the West Campus. The entitlement process for the West Campus includes the following review and permit approvals:

- **Rezone from M-2 (General Industrial District) to M-2-X (General Industrial District, Conditional Development) and Conditional Development Permit:** to permit the proposal to diverge from standard M-2 zone requirements related to building height and lot coverage. In addition, in the M-2 zone, the construction of a new structure to house a permitted use requires use permit approval. In this case, the CDP takes the place of the required use permit;
- **Heritage Tree Removal Permits:** to permit the removal of heritage trees associated with the proposed project;
- **Below Market Rate Housing Agreement:** per the requirements of the City's Municipal Code, a Below Market Rate (BMR) Housing Agreement is required, which would help increase the affordable housing supply by requiring the applicant to provide monies for the BMR fund;
- **Lot Line Adjustment:** to modify the location of two legal lots that make up the project site;
- **Development Agreement:** which results in the provision of overall benefits to the City and adequate development controls in exchange for vested rights in West Campus Project approvals;
- **Environmental Review:** an Environmental Impact Report (EIR) was prepared and certified by the City Council on May 29, 2012 that analyzed the potential environmental impacts associated with both the East Campus and West Campus components of the project. Given that there have been refinements to the project design since the environmental review was completed, additional environmental review is being conducted to confirm that the proposed project does not result in environmental impacts that were not already identified in the EIR. An addendum to the previously certified EIR is being prepared as part of the project review process; and
- **Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program:** which includes specific findings that the West Campus Project includes substantial benefits that outweigh its significant, and adverse environmental impacts, and establishes responsibility and timing for implementation of all required mitigation measures.

The previous staff reports, which provide more detailed background information, plus the Draft Environmental Impact Report (EIR) and Draft Fiscal Impact Analysis (FIA) are available for review on the City-maintained project page accessible through the following link:

[http://www.menlopark.org/projects/comdev\\_fb.htm](http://www.menlopark.org/projects/comdev_fb.htm)

## **ANALYSIS**

### **Council Direction**

On October 30, 2012, the City Council provided direction to the City negotiating team to enter into good faith negotiations on the Development Agreement with the Project Sponsor. The Council direction was framed by the following parameters:

1. Provide a source of on-going revenue.
2. Provide one-time items in the form of funding, public improvements, studies or services that would benefit the surrounding area or greater community.
3. Consider inclusion of some of the requirements contained within the Facebook East Campus Development Agreement in the event that the East Campus Development Agreement is terminated.
4. Pursue a trip cap penalty amount that is comparable to the East Campus trip cap penalty.

### **Development Agreement Negotiation Process**

A Development Agreement is a contract between the City of Menlo Park and a project sponsor that delineates the terms and conditions of a proposed development project. A Development Agreement allows a project sponsor to secure vested rights, and it allows the City to secure certain benefits. The City Council is not obligated to approve a Development Agreement, but if the City Council does want to approve a Development Agreement, the terms of the Development Agreement need to be acceptable to both parties; one party cannot impose terms on the other party.

The City's negotiating team, comprised of the City Manager, City Attorney, Public Works Director, and Development Services Manager met multiple times over the past 10 weeks. The negotiating team met internally to discuss strategy and specifics and held negotiating sessions with the applicant team. The City Attorney and the City Manager consulted with the Council Subcommittee, comprised of Council Members Keith and Cline, at key junctures in the negotiation process.

### **Development Agreement Term Sheet**

The proposed Term Sheet, along with a cover letter from the Project Sponsor, is included as Attachment A. The Term Sheet covers 10 topics, many with multiple items that will get fleshed out as part of the full Development Agreement. Some of the topics crossover into mitigation measures from the EIR and potential conditions of approval that would appear in the Conditional Development Permit. When considering the terms of the Development Agreement, it is important to remember that it reflects a negotiated package and any one aspect cannot be viewed in isolation.

The proposed Term Sheet includes the following:

- A public benefit payment totaling \$1.5 million payable at \$150,000 per year for 10 years following final building permit sign-off for occupancy of West Campus.
- A clause in the construction contract for the West Campus to require qualifying subcontractors (i.e., subcontracts for \$5 million or larger with subcontractors that have reseller sales tax permits) to get a sub-permit to designate Menlo Park as point of sale so that sales/use tax on materials is allocated to the City. The estimated benefit to Menlo Park is between \$100,000 and \$300,000 total.
- Cooperation with Menlo Park to seek to have use taxes for large purchase orders (i.e., orders over \$500,000) for initial occupancy of West Campus to have use taxes allocated to the City. This is not likely to generate much, if any revenue, but it could result in some revenue to the City.
- Guaranteed minimum property tax revenue to the City based on an assessed value of the greater of \$230 million and the actual initial reassessed value following completion of construction (estimated to be closer to \$300 million) for period of 10 years following reassessment.
- Public access to the landscaped area in the vicinity of the undercrossing near Willow Road.
- Cooperation to allow limited pedestrian/bicycle access from the TE Connectivity property to Willow Road if a future transit hub is built there and there are no convenient public transit stops for the TE Connectivity property.
- \$100,000 additional to the Community Fund that was established as part of the East Campus Development Agreement.
- Use of Recology for recycling services, which helps minimize costs across all Recology customers in the service area due to the volume of material.
- \$100,000 to the City to fund improvements to in the surrounding area with the use of funds to be determined by City.
- Incorporation of the following provisions from East Campus Development Agreement if Facebook were to vacate the East Campus and remain in the West Campus:
  - Housing (Section 9),
  - Local Community Fund (Section 10),
  - Bay Trail Gap (Section 11),
  - Utility Undergrounding (Section 12),
  - Jobs (Section 13),
  - Environmental Education (Section 16),
  - Local Purchasing (Section 18),



- Transportation Demand Management Information Sharing (Section 19), and
- Volunteerism (Section 20).
- Commitment to use Gehry Partners, LLP for the construction drawings.
- Inclusion of a green roof.
- Commitment to Leadership in LEED Gold equivalency.
- A vehicle trip cap of 1,100 trips in the AM and PM peak periods and 6,350 daily trips plus the same penalties as the East Campus of \$50 per trip per day with escalators.

### **Conclusion**

Staff believes that the parameters listed above have been achieved in the proposed Term Sheet. Staff also believes that the package of terms is appropriate given the specifics of this particular project. In considering the West Campus Term Sheet, it is important to consider the commitments contained in the East Campus Development Agreement, especially the one-time payment of \$1.1 million and the recurring annual payments as follows:

- \$800,000 per year for years 1-5
- \$900,000 per year for years 6-10
- \$1,000,000 per year for years 11-15
- Adjusted annually above \$1,000,000 based on changes in the Consumer Price Index (CPI) for the remaining years

### **IMPACT ON CITY RESOURCES**

As part of the review of the Facebook Campus Project, a Fiscal Impact Analysis (FIA) was prepared, which projected the potential changes in fiscal revenues and service costs directly associated with development of the proposed Project, inclusive of both the East Campus and West Campus. The FIA also explores a number of related topics, including indirect revenues/costs from potential induced housing demand, as well as one-time/non-recurring revenues (such as impact fees), and potential additional opportunities for fiscal benefits.

The applicant is required to pay planning permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The applicant is also required to bear the cost of the associated environmental review. For the environmental review, the applicant deposits money with the City and the City pays the consultants. In addition, public benefits negotiated as part of the Development Agreement would serve to help offset any potential impacts of the Project.

## POLICY ISSUES

The Project does not require an amendment to the City's General Plan. The primary policy issues for the City Council to consider while reviewing the Development Agreement Term Sheet relate to the appropriate level of public benefit based on the proposed land use entitlements for the West Campus.

## ENVIRONMENTAL REVIEW

Action on the Term Sheet is not subject to environmental review. Action on the Development Agreement and other land use entitlements for the West Campus are subject to environmental review.

On May 29, 2012, the City Council certified an Environmental Impact Report (EIR) that analyzed the potential environmental impacts associated with both the East Campus and West Campus components of the project. The EIR determined that the project would result in significant and unavoidable impacts related to Air Quality, Noise, and Transportation. Given that there have been refinements to the project design since the environmental review was completed, an Addendum to this EIR is currently being prepared to document that there are no new environmental impacts that were not already identified. The Planning Commission and City Council will consider the Addendum as well as the Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the West Campus at upcoming meetings on the land use entitlements.

Signature on file  
Justin Murphy  
Development Services Manager

Signature on file  
William McClure  
City Attorney

Signature on file  
Charles Taylor  
Public Works Director

Signature on file  
Alex D. McIntyre  
City Manager

**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/s/comdev\\_fb.htm](http://www.menlopark.org/s/comdev_fb.htm)

## ATTACHMENTS:

- A. Letter from John Tenanes, dated January 16, 2013 with proposed Development Agreement Term Sheet

**BACKGROUND MATERIAL AVAILABLE AT CITY OFFICES**

[Draft and Final Environmental Impact Report](#)

[Draft and Final Fiscal Impact Analysis](#)

[1601 Willow Road \(East Campus\) Development Agreement](#)



January 16, 2013

The Honorable Peter Ohtaki  
 Mayor of the City of Menlo Park  
 And Members of the City Council  
 701 Laurel Street  
 Menlo Park, CA 94025



**RE: Facebook West Campus Project – Development Agreement Term Sheet**

On behalf of Giant Properties, LLC (Facebook), we are privileged to present you the Term Sheet for the Facebook West Campus, which sets forth the negotiated terms between Facebook and the City of Menlo Park's (City) Negotiating Team for the West Campus Development Agreement (DA).

The terms outlined in the Term Sheet are the result of a careful, constructive and comprehensive process which included many hours of collaborative, creative negotiations between the City and Facebook. These terms represent another significant Facebook investment in the City.

The West Campus project will:

- redevelop a long idle site through the construction of a truly iconic, cutting edge, sustainable building, designed by world famous architect, Frank Gehry;
- voluntarily remediate additional toxic soils that otherwise would have remained in place;
- create a visible symbol of the City as a community of entrepreneurship and innovation;
- and
- secure Facebook's commitment to the City.

The West Campus project will comply with the City's General Plan and M-2 zoning except for a very limited zoning modification permitting additional height for a small portion of the proposed building. We do not believe this limited modification will have any impact on the City's environment or infrastructure.

Due to the extraordinary benefits that already have arisen from Facebook's relocation to the City, and since the West Campus project is essentially a code-compliant project\* giving rise to only relatively minor, incremental impacts, Facebook believes that the proposed West Campus DA terms confer appropriate public benefits. The City's Negotiating Team concurs.

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\* City fees payable by Facebook for the West Campus include approximately (1) \$4.5 million for the Below Market Rate Housing Fee (or an equivalent number of BMR units); (2) \$1.3 million for a Traffic Impact Fee; (3) \$1.1 million for a Street Repair Fee; and (4) \$1.4 million for Plan Check and permit Fees.

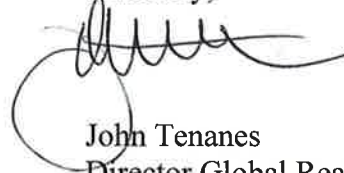
The Term Sheet provides:

- A ten year recurring public benefit payment of \$150,000 per year;
- A commitment to work with the City so that eligible portions of the sales taxes paid by certain qualifying contractors, subcontractors and material suppliers with respect to the construction of the West Campus project are allocated to the City;
- A commitment to work with the City to maximize the City's capture of use tax arising from the purchase of furnishings, equipment and personal property for the initial occupancy of the new building on the West Campus;
- A \$100,000 payment to fund improvements to the Belle Haven neighborhood as determined by the City Council;
- A Property Tax Guarantee ensuring the City that the assessed value of the West Campus will be significantly increased upon completion of construction;
- A commitment to utilize Frank O. Gehry Partners for the West Campus design;
- A commitment to the West Campus living roof and a LEED Gold equivalency;
- Public Access to West Campus landscaped areas adjacent to the Bayfront Expressway undercrossing easements; and
- A commitment to extend certain benefits which otherwise would terminate with the early termination of the East Campus Development Agreement, such as the Local Community Fund, Bay Trail Gap commitments and environment education commitments.

While Facebook's obligations under the DA will be considerable, they build upon the most significant aspect of Facebook's relocation to the City – its commitment to building a stronger community and being a good neighbor. As many in your community can attest, Facebook already has invested significant resources to support local programs and create long term relationships. These benefits are not part of the DA because they do not need to be. They arise organically from Facebook's culture. Facebook considers its connection and engagement with the community a significant and long term priority.

We thank you for your consideration of this matter. We welcome your questions and further dialogue and look forward to our upcoming public hearing on January 22, 2013.

Sincerely,



John Tenanes  
Director Global Real Estate





**FACEBOOK**  
**DRAFT WEST CAMPUS DEVELOPMENT AGREEMENT TERM SHEET**

**1. Recurring Financial Benefits**

- Recurring Public Benefit Payment
  - Facebook will pay the City \$150,000 per year (the “Recurring Public Benefit Payment”) for ten years.
  - The first payment of the Recurring Public Benefit Payment will be on July 1 of the City’s fiscal year (i.e. July 1 to June 30) following the City’s fiscal year in which the City issues final building permit sign-off for occupancy of the West Campus. The succeeding nine payments of the Recurring Public Benefit Payment will be paid on each anniversary of the initial Recurring Public Benefit Payment.
  - The Recurring Public Benefit Payment will not be payable unless the City issues a certificate of occupancy for the West Campus.
- Sales and Use Taxes
  - For all construction work performed as part of the West Campus project, Facebook agrees to make diligent, good faith efforts with the assistance of City’s designated representative to include a provision in all construction contracts with all qualifying contractors, subcontractors and material suppliers (i.e. contracts of \$5 million or more), requiring such contractors, subcontractors and material suppliers holding reseller’s permits to obtain a sub-permit from the California State Board of Equalization to book and record construction materials purchases/sales as sales originating within the City. Upon the request of the City Manager or the City’s designated representative, Facebook shall make available copies of such contracts or other documentation demonstrating compliance with these requirements. Facebook shall have the right to redact unrelated portions of such contracts.
  - For all purchases of furnishings, equipment and personal property for the initial occupancy of the new building on the West Campus, Facebook shall cooperate with the City and its designated representative and if the City or its designated representative identifies commercially reasonable strategies to maximize use taxes to be received by the City, to then use diligent, good faith efforts to maximize use taxes to be received by the City with respect to the purchase and use of such furnishings, equipment and personal property by acting in accordance with the strategies identified by the City or its designated representative (to the extent allowed by law). Notwithstanding the preceding, Facebook shall not be obligated to establish a California Sales and Use Tax permit and/or a Use Tax Direct Payment Permit identifying the City as the point of sale or the point of use for allocation purposes, but shall provide City’s designated representative with such documents as are necessary to assist such representative in ensuring the appropriate allocation of use taxes to the West Campus location.
  - To the extent sales and/or use taxes are not separately reported for the West Campus and the East Campus, and provided that Facebook occupies both the West Campus and the East Campus, there shall be an equitable apportionment of the sales and use

taxes to each campus based on location of employees, square footage of buildings, point of sale or such other equitable apportionment as the parties may determine.

- **Property Taxes**

- The current assessed value for the West Campus is \$20,935,500. The FIA estimated that the assessed value for the West Campus at build-out would be \$230,085,000. An increase of \$209,149,500 in the assessed value of the West Campus will create new tax revenues for the City in the amount of \$175,476.44 according to the FIA. Facebook believes this number is conservative and that the assessed value of the West Campus at build-out will be greater.
- Facebook will provide the City assurance it will receive these anticipated new tax revenues based on the initial reassessment of the property following completion of the West Campus project. If Facebook obtains final building permit sign-off for occupancy of the West Campus, Facebook agrees to pay the City the positive difference (if any) between (x) the property tax revenues the City would receive in a given year assuming the assessed value of the West Campus is the greater of \$230,085,000 or the initial reassessment of the property following completion of the West Campus project and (y) the property tax revenues paid or payable to the City (such amount, the “Property Tax Guaranty”). In any year during which the Property Tax Guaranty applies, no funds will be payable to the City under the Property Tax Guaranty if the assessed value of the West Campus in that year is greater than or equal to the greater of \$230,085,000 or the amount of the initial reassessment of the property following completion of the West Campus project. The Property Tax Guaranty will apply beginning in the first tax year following the initial reassessment of the West Campus following its substantial completion and will continue for ten years.
- The Property Tax Guaranty will not limit Facebook’s right to challenge the assessed value of the West Campus or the taxes payable with respect to the West Campus.

**2. Other Public Benefits**

- **On Going Public Benefits**

- **Public Access**

- Facebook will allow public access to the landscaped area on the West Campus that is adjacent to the undercrossing (note this public access is in addition to the dedicated access easement to the undercrossing and does not modify or alter the requirement that Facebook improve and dedicate a public access easement from Willow Road, under Bayfront Expressway and connecting to the Bay Trail). This area is adjacent to the dedicated easement that will connect the segment of the Bay Trail that is adjacent to Bayfront Expressway with Willow Road and the segment of the Bay Trail that is east of Willow Road, making it a gateway to Menlo Park for pedestrians and bicyclists. The public access right to the landscaped area will be a right to pass by permission and Facebook will have the right to implement rules and regulations governing such access.

- Facebook agrees that (a) if a public transit agency begins operating service (whether by train or bus) on the rail spur adjacent to the West Campus and locates a transit stop at or near the intersection of Willow Road and the rail spur (the “Willow Stop”), (b) if there is not an alternative stop that would conveniently serve people that occupy the properties located immediately adjacent to Bayfront Expressway and between Chilco Street and the West Campus (collectively, the “Tyco Properties”), and (c) if the City wishes to provide a pedestrian/bicycle route between the Willow Stop and the Tyco Properties, then, upon the City’s request, Facebook will reasonably cooperate with the City and explore whether a pedestrian/bicycle route between the Willow Stop and the Tyco Properties could be placed on the West Campus. In addition, Facebook agrees that if, following the City’s request, Facebook determines that a pedestrian/bicycle route can be placed on the West Campus without negatively impacting Facebook’s operations there, Facebook will allow the City and/or its designee to construct such a pedestrian/bicycle access route in a location determined by Facebook (in its reasonable discretion) in consultation with City and the then owner/occupant of the Tyco Properties.
- Community Support
  - Facebook will contribute an additional \$100,000 to the Local Community Fund within one year of the City’s final building permit sign-off for occupancy of the West Campus; provided, however, that if the Community Fund is depleted at the time Facebook receives building permits for the West Campus, Facebook will make the contribution within six months of its receipt of the building permits. This contribution will not be payable unless Facebook submits a building permit for the West Campus.
- Recycling
  - Facebook agrees to use the City’s franchisee (presently Recology) for recycling services, provided that the rates charged to Facebook for recycling and trash removal services are the same as those charged to other commercial users in the City.
- One Time Payments and Public Benefits
  - Facebook will contribute a total of \$100,000 to fund improvements that benefit the adjacent neighborhood such as (but not limited to) the following: (a) the planting of street trees by the City in Belle Haven, (b) payment of design costs incurred by the City with respect to extending the sidewalks at Newbridge Street and Willow Road and Bayfront Expressway and Willow Road, and (c) any other purposes or uses as determined by the Menlo Park City Council. The City will have the right to determine how the \$100,000 commitment is allocated. Facebook will make this contribution by the later of (i) 60 days after the City’s issuance of final building permit sign-off for occupancy of the West Campus and (ii) 60 days after Facebook’s receipt of the City’s request for payment of the contribution. This contribution will not be payable unless the City issues final building permit sign-off for occupancy of the West Campus.



### **3. East Campus Benefits**

- If the commitments and obligations under the Housing (Section 9), Local Community Fund (Section 10), Bay Trail Gap (Section 11), Utility Undergrounding (Section 12), Jobs (Section 13), Environmental Education (Section 16), Local Purchasing (Section 18), Transportation Demand Management Information Sharing (Section 19) and Volunteerism (Section 20) sections of the East Campus Development Agreement terminate due to (a) Facebook vacating the East Campus or (b) the early termination of the Lease for the East Campus, then Facebook will agree to continue to satisfy such commitments and obligations until the earlier of (i) Facebook vacating the West Campus or (ii) February 6, 2026.

### **4. Design & Environment**

- Facebook has entered into a contract with Frank O. Gehry Partners for design of the West Campus, and Facebook anticipates that Frank O. Gehry Partners will be the registered architect.
- Facebook will design the West Campus so that the roof includes living elements including trees, plant elements and other green features.
- Facebook will design the building located at the West Campus to perform to LEED Building Design and Construction (BD+C) Gold equivalency. Facebook may satisfy this obligation by delivering a report from its LEED consultant. That report will be subject to approval by the City (not to be unreasonably withheld or conditioned).

### **5. Vehicle Trip Reduction**

- Facebook will adhere to a vehicle trip cap which limits am/pm peak period trips as set forth in the Final EIR. To ensure compliance, the trip cap will include monitoring with periodic reporting consistent with those for the East Campus.
- Penalties for violations of the trip cap will be consistent with those for the East Campus.

### **6. Permit Processing**

- The City will use its best efforts to expeditiously process permits and approvals required for development, use and occupancy of the project and give the West Campus project priority status.

### **7. Vesting**

- Facebook will have the vested right to occupy the West Campus consistent with the various project approvals and subject to the terms and conditions of the West Campus Development Agreement. Generally, the City laws applicable to the project will be those in force and effect on the effective date of the West Campus Development Agreement.

### **8. Fees**

- Generally, there will be a fixed cap at current rates on the effective date of the West Campus Development Agreement for City fees and exactions, except for fees scheduled to rise by

way of indexing and/or the imposition of new City-wide or area-wide (e.g. the M-2 district) fees/taxes.

**9. Project Modifications**

- Project modifications that are substantially consistent with the initial project approvals may be approved by the City Manager or his/her designee.

**10. Term**

- The term of the West Campus Development Agreement will be for five years (subject to reasonable extension for force majeure including construction delays), provided that if Facebook submits a building permit application for the West Campus within such five year period and the City subsequently issues a final building permit sign-off for occupancy of the West Campus, then the term of the West Campus Development Agreement will continue until the later of (a) the earlier of (i) Facebook vacating the West Campus or (ii) February 6, 2026, (b) the expiration of the Recurring Public Benefit obligation or (c) the expiration of the Property Tax Guaranty.



# ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: January 22, 2013

Staff Report #: 13-015

Agenda Item #: F-4

**REGULAR BUSINESS:** Accept the 2012 Advisory Body Attendance Reports and discuss the status of recruitments

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## RECOMMENDATION

Staff recommends City Council accept the 2012 Advisory Body attendance reports and discuss the status of the current recruitments.

## BACKGROUND

In accordance with City Council Policy CC 91-001, staff is submitting the advisory body attendance reports for 2012. This is for Council's review and information.

The policy states that members who attend less than two-thirds (67%) of the advisory body's scheduled meetings may be replaced by the City Council. Attendance rates of less than two-thirds for current members are in bold in the report. While scheduling conflicts occur from time to time, excessive absenteeism hinders the Commission's productivity. In the past, the Mayor has contacted Commission and Committee members who are unable to meet the required attendance level, to determine their future availability for the Commission they serve on.

## ANALYSIS

In 2012, there were five Commissioners that were below two-thirds in attendance. Six Commission meetings had to be cancelled and two meetings were rescheduled due to the lack of a quorum. In combination with the five vacancies that staff is recruiting to fill, in obtaining a quorum can be challenging. Inclusion of commissioner feedback can thwart tight time lines if quorums are not obtained.

In addition the Finance & Audit Committee has two members who continue to attend the meetings although their terms ended January of 2012. Staff began recruiting for these in March of 2012 and there are two applications on file. Typically, appointments are presented to Council when a ratio of two applicants per vacancy has been achieved.

There are two vacancies on the Housing Commission; one from a resignation and one from the extended term of Anne Moser expiring. Staff began recruitment in May of 2012 to fill the vacancy created by the resignation. The Housing Commission had to cancel a

special meeting due to a lack of a quorum. There are currently five applications and on February 5, staff will bring forward the applications for consideration.

There are two vacancies on the Parks and Recreation Commission; one from an expired term and one from Council Member Carlton being elected to the City Council. The Parks & Recreation Commission had to cancel three meetings for lack of a quorum in 2012 and the January 2013 meeting. Staff began recruiting for the expired term in May of 2012 and to date there has been only one application received.

There is one vacancy on the Transportation Commission due to Vice Mayor Mueller being elected to the City Council. Staff began recruitment for this vacancy earlier this month.

In addition to the currently vacant seats there will be the following Vacancies that will occur due to expiring terms in 2013:

- Bicycle Commission – No expiring terms
- Environmental Quality Commission – One term in April
- Finance and Audit Committee – One term in January
- Housing Commission – Two terms; one in April and one in October
- Library Commission – Three terms in October
- Parks & Recreation Commission – Two terms in October
- Planning Commission – One term in April
- Transportation Commission – Three terms; one in July and two in December

The City Clerk's Office is preparing a plan to begin recruitment for all of the currently vacant seats as well as all other vacancies for 2013. In October of 2013, the consolidation of recruitment approved by the City Council May 5, 2010 will be complete.

## **IMPACT ON CITY RESOURCES**

There is no impact on City resources associated with this action, based on the annual review of attendance. Recruitment for new commissioners would be incorporated into the ongoing commission recruitments, if some commissioners determined they were no longer able to serve.

The ability to complete projects such as the Housing Element and the Specific Plan on time is impacted if the Commissions involved are charged with reviewing and commenting are unable to convene due to lack of a quorum.

## **POLICY ISSUES**

The proposed action is consistent with state law and existing City Policy.

## **ENVIRONMENTAL REVIEW**

The proposed action does not require environmental review.

*Signature of file*  
Margaret S. Roberts, MMC  
City Clerk

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

### **ATTACHMENTS:**

A – City Council Policy CC 91-0001

B – Attendance Records for each Advisory Body (in alphabetical order)

# City of Menlo Park

City Council Policy

<b>Department</b> City Council	<b>Page 1 of 1</b>	<b>Effective Date</b> January 1, 1991
<b>Subject</b>  Board and Commission Attendance Policy	<b>Approved by</b> Resolution 2801 - 05/27/1985 Revised Resolution 4242 - 12/04/1990	<b>Procedure #</b> CC-91-0001

## PURPOSE:

This policy is adopted in order to encourage attendance at Board and Commission scheduled meetings and to replace members who are unable to attend on a consistent basis.

## BACKGROUND:

A policy of attendance at Board and Commission scheduled meetings has not been uniform throughout the City. Many commissions have their own policies which they implement on an informal basis. Some commission scheduled meetings have been cancelled due to the lack of a quorum, a number of Commissions have members who miss a majority of their scheduled meetings and the issue of attendance at scheduled meetings is of concern. Some Commission chairpersons have previously expressed a need for an attendance policy which would be consistent for all boards and commissions and which would dictate the removal of a board or Commission member who has missed a certain number of scheduled meetings in the calendar year.

There are, often times, excellent reasons why a Board or Commission member might not be able to attend a scheduled meeting: illness, business or home commitments. The policy should be flexible enough so that a reasonable number of absences are allowed. Extensive absences on the part of a Board or Commission member do restrict the ability of a Board or Commission to complete its work and an attendance policy is meant to discourage such behavior.

## POLICY:

- 1) A compilation of attendance will be submitted to the Council annually in January listing absences for all Board and Commission members.
- 2) Absences, which result in attendance at less than two-thirds of Board and Commission scheduled meetings for any reason during the calendar year, will be reported to the City Council and may result in replacement of the Board or Commission member by the Council.
- 3) Any Board or Commission member who feels that unique circumstances have led to numerous absences, can appeal directly to the City Council for a waiver of this policy or a leave of absence.

**CITY OF MENLO PARK**

**BICYCLE COMMISSION**

**ATTENDANCE REPORT FOR CALENDAR YEAR 2012**

<b>Member's Name</b> <i>(*Indicates only partial year served)</i>	<b>Total number of meetings held during the year or since appointment was made (whichever is applicable)</b>	<b>Total number of meetings attended</b>	<b>Attendance percentage</b>
Maynard Harding Appointed 03/24/2009	10	9	90%
Gregory K. Klingsporn Appointed 03/24/2009 Reappointed 04/26/2011	10	9	90%
Walter Kohn Appointed 03/24/2009 Reappointed 04/26/2011 Resigned 08/2012	5	4	80%
Mary Ann Levenson Appointed 04/03/2007 Reappointed 04/26/2011	10	8	80%
Watson "Scott" Lohmann Appointed 03/24/2009	10	8	80%
Michael Meyer Appointed 09/18/2012	3	2	67%
Jim Rowe Appointed 08/26/2008 Reappointed 03/24/2009	10	8	80%
Robert Steele Appointed 01/10/2006 Reappointed 03/24/2009	10	10	100%

Additional Comments/Notes:

**CITY OF MENLO PARK**

**ENVIRONMENTAL QUALITY COMMISSION**

**ATTENDANCE REPORT FOR CALENDAR YEAR 2012**

<b>Member's Name</b> <i>(*Indicates only partial year served)</i>	<b>Total number of meetings held during the year or since appointment was made (whichever is applicable)</b>	<b>Total number of meetings attended</b>	<b>Attendance percentage</b>
Allan Bedwell Appointed 09/18/2012	3	2	67%
Chris DeCardy Appointed 01/24/2012	10	8	80%
Daniel Kocher Appointed 08/26/2003 Reappointed 10/02/2007 <i>Term Expired 09/30/2011(stayed longer)</i>	2	2	100%
Kristin Kuntz-Duriseti Appointed 08/26/2008	11	9	82%
Adina Levin* Appointed 07/19/2011	11	11	100%
Scott Marshall Appointed 01/24/2012	10	9	90%
Douglas A. Scott Appointed 08/17/2004 Reappointed 08/26/2008	8	6	75%
Mitchel Slomiak Appointed 10/02/2007 <i>Term Expired 09/30/2011</i>	11	11	100%
Christina Smolke Appointed 12/14/2010	11	11	100%

Additional Comments/Notes:



**CITY OF MENLO PARK**

**FINANCE / AUDIT COMMITTEE**

**ATTENDANCE REPORT FOR CALENDAR YEAR 2012**

<b>Member's Name</b> <i>(*Indicates only partial year served)</i>	<b>Total number of meetings held during the year or since appointment was made (whichever is applicable)</b>	<b>Total number of meetings attended</b>	<b>Attendance percentage</b>
<b>Jeffrey Child</b> <b>Appointed 01/08/2008</b> <b>Reappointed 12/15/2009</b>	8	5	62.5%
Honor Huntington Appointed 01/08/2008 Reappointed 01/25/2011	8	8	100%
Kirsten Keith – Council Member Appointed 01/10/2012	8	8	100%
Peter Ohtaki – Council Member Appointed 12/14/2010	8	8	100%
Stuart Soffer Appointed 01/08/2008 Reappointed 12/15/2009	8	7	87.5%

Additional Comments/Notes:

**CITY OF MENLO PARK**

**HOUSING COMMISSION**

**ATTENDANCE REPORT FOR CALENDAR YEAR 2012**

<b>Member's Name</b> <i>(*Indicates only partial year served)</i>	<b>Total number of meetings held during the year or since appointment was made</b>	<b>Total number of meetings attended</b>	<b>Attendance percentage</b>
<b>John Bautista</b> <b>Appointed 10/06/2009</b> <b>Resigned 08/23/2012</b>	8	0	0%
Patricia Boyle Appointed 11/09/2004 Reappointed 10/02/2007 <i>Term Expired 09/30/2011(stayed longer)</i>	1	1	100%
Sally Cadigan Appointed 08/31/2010	11	8	73%
Carolyn Clarke Appointed 10/06/2009	11	9	82%
Julianna Dodick Appointed 02/14/2012	9	8	89%
Anne Moser Appointed 07/20/2004 Reappointed 08/26/2008 <i>Extended Term Expired 10/31/2012</i>	11	11	100%
Yvonne Murray Appointed 08/31/2010	11	9	82%
Brigid Van Randall Appointed 12/15/2009 Reappointed 02/14/2012	11	10	91%

Additional Comments/Notes:

- Special meeting was scheduled in July due to a lack of quorum for their regular meeting.

**CITY OF MENLO PARK**

**LIBRARY COMMISSION**

**ATTENDANCE REPORT FOR CALENDAR YEAR 2012**

<b>Member's Name</b> <i>(*Indicates only partial year served)</i>	<b>Total number of meetings held during the year or since appointment was made (whichever is applicable)</b>	<b>Total number of meetings attended</b>	<b>Attendance percentage</b>
Jacqueline, Cebrian Appointed 05/24/2011	10	10	100%
Amy Hamilton Appointed 10/06/2009	10	9	90%
Deepa Rich Appointed 09/18/2012	3	2	67%
Vin Sharma Appointed 05/14/2011	10	8	80%
Alaina Sloo Appointed 10/02/2007	10	9	90%
<b>Lucia Soto</b> <b>Appointed 8/26/2008</b> <b><i>Term expired 07/31/2012</i></b>	<b>6</b>	<b>0</b>	<b>0%</b>
Amita Vasudeva Appointed 10/06/2009	10	7	70%
Michelle Figueras Appointed 10/06/2009	10	8	80%

Additional Comments/Notes:

- There was also a regular meeting posted for June 11<sup>th</sup> which Cebrian, Hamilton and Vasudeva came to but it had to be cancelled due to lack of a quorum.

**CITY OF MENLO PARK**

**PARKS & RECREATION COMMISSION**

**ATTENDANCE REPORT FOR CALENDAR YEAR 2012**

<b>Member's Name</b> <i>(*Indicates only partial year served)</i>	<b>Total number of meetings held during the year or since appointment was made (whichever is applicable)</b>	<b>Total number of meetings attended</b>	<b>Attendance percentage</b>
Kelly Blythe Appointed 09/12/2006 Reappointed 09/28/2010	8	6	75%
Catherine Carlton Appointed 09/28/2010 Off due to Election 12/04/2012	8	7	88%
James Cebrian Appointed 10/06/2009	8	7	88%
Thomas Cecil Appointed 07/19/20011	8	7	88%
<b>Andrew Kirkpatrick</b> <b>Appointed 01/23/2007</b> <b>Reappointed 08/26/08</b> <b>Resigned 09/31/2012</b>	<b>6</b>	<b>0</b>	<b>0%</b>
<b>Nick Naclerio</b> <b>Appointed 09/12/2006</b> <b>Reappointed 09/28/2010</b>	<b>8</b>	<b>0</b>	<b>0%</b>
Jim Tooley Appointed 01/23/2007 Reappointed 10/06/2009	8	7	88%

Additional Comments/Notes:

- May, June and December meetings had to be cancelled due to a lack of quorum.

**CITY OF MENLO PARK**  
**PLANNING COMMISSION**

**ATTENDANCE REPORT FOR CALENDAR YEAR 2012**

<b>Member's Name</b> <i>(*Indicates only partial year served)</i>	<b>Total number of meetings held during the year or since appointment was made (whichever is applicable)</b>	<b>Total number of meetings attended</b>	<b>Attendance percentage</b>
Vincent Bressler Appointed 04/03/2007 Reappointed 04/05/2011	26	24	92%
Ben Eiref Appointed 05/04/2010	26	25	96%
Katie Ferrick Appointed 08/26/2008	26	24	92%
John Kadvany Appointed 08/26/2008	26	24	92%
Jack O'Malley Appointed 04/04/2006 Reappointed 05/04/2010	26	24	92%
John Onken Appointed 10/09/2012	6	6	100%
Henry Riggs Appointed 01/11/2005 Reappointed 05/09/2006 Reappointed 05/04/2010	26	26	100%
Piepei Carol Yu Appointed 01/25/2011 <i>Resigned 09/25/2012</i>	19	16	84%

Additional Comments/Notes:

- John Kadvany participated in three meetings via teleconference.
- Ben Eiref participated in one meeting via teleconference.

**CITY OF MENLO PARK**

**TRANSPORTATION COMMISSION**

**ATTENDANCE REPORT FOR CALENDAR YEAR 2012**

<b>Member's Name</b> <i>(*Indicates only partial year served)</i>	<b>Total number of meetings held during the year or since appointment was made (whichever is applicable)</b>	<b>Total number of meetings attended</b>	<b>Attendance percentage</b>
Charlie Bourne Appointed 01/23/2007 Reappointed 10/06/2009	10	10	100%
Nathan Hodges Appointed 11/15/2011	10	9	90%
Penelope Huang Appointed 10/09/2007 Reappointed 01/27/2009	10	8	80%
Ray Mueller Appointed 07/20/2011 <i>Off due to Election 12/04/2012</i>	9	7	78%
Maurice Shiu Appointed 10/06/2009	10	8	80%
Katherine Strehl Appointed 04/06/2010 Reappointed 07/20/2010	10	8	80%
Bianca Walser Appointed 11/15/2011	10	9	90%

Additional Comments/Notes:

- The September meeting had to be cancelled due to a lack of a quorum.



## ADMINISTRATIVE SERVICES

Council Meeting Date: January 22, 2013

Staff Report #: 13-008

Agenda Item #: I-1

**INFORMATION ITEM: Accept the Draft Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2012**

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### RECOMMENDATION

Staff recommends that the City Council accept the Comprehensive Annual Financial Report (CAFR) for fiscal year 2011-12.

### BACKGROUND

Following the close of each fiscal year, the City's external auditors conduct an audit of the City's financial records and assist in the compilation of the Comprehensive Annual Financial Report (CAFR). The paramount objective of general purpose external financial reporting is accountability. The goal of a financial statement audit is to provide users with a reasonable assurance from an independent source that the information presented in the statements is reliable. The audit for the fiscal year ended June 30, 2012 was just recently completed.

### ANALYSIS

The 2011-12 fiscal year audit is the fourth annual audit performed by the City's external auditors OUM, LLP, Certified Public Accountants and Consultants. The firm conducts their audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The standards require that the auditors plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. On a sample basis they examine evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation.

As noted in the document, the financial standing of the City remains quite strong. However, there are several significant changes that differentiate the current year's financial report from those of recent years:

1. The dissolution of redevelopment agencies in the State of California impacted the reporting of redevelopment activities, as the former Community Development Agency (CDA) had previously been reported as a blended component unit of the City (the CDA comprised six of the seven major governmental funds of the City in fiscal year

2010-11). Actions taken in the prior fiscal year to account for redevelopment programs within Special Revenue accounts of the City had to be reversed, as the *Redevelopment Services Agreement*, the *Public Improvements Grant and Cooperation Agreement* and the *Affordable Housing Cooperation Agreement* between the City and the Agency were declared invalid by dissolution law. The close-out of all these funds as of January 31, 2012 required compliance with very restrictive guidelines and a detailed tracking of all transactions. Additional reports were required of the City, acting as Successor Agency of the former CDA, as holder of all remaining redevelopment assets, such as reports of the former agency's Low & Moderate Income Housing Fund (LMIHF) and Non-housing Funds which were recently compiled, submitted to the Oversight Board, and subject to review by the County Controller and the State Department of Finance (DOF). Assets of the former redevelopment agency can only be used to fulfill enforceable obligations of the former CDA as of the date of dissolution. All other assets are to be submitted to the County for distribution to other taxing entities. The City's own external auditors were involved in the compilation and verification of these reports, audits and adjustments at the same time the books of the City were being closed and audited.

2. Not only is the City's accounting structure and reporting of major funds drastically modified, the dissolution of the former redevelopment agency as of January 31, 2012, reflected as a close out of the CDA's fund balances and the remaining balance of the \$63.7 million remaining bonds, resulted in an extraordinary gain of over \$28 million in the government-wide financial statements. In reviewing these financial statements, it is important to note that the final seven months of activity of the former redevelopment agency (from July 1, 2011 through January 31, 2012) are reported in **governmental funds** of the City for financial statement purposes. Activity of the Successor Agency Trust from January 31, 2012 forward is reported in the **fiduciary funds** of the City. The fiduciary trust fund shows a \$26.9 million negative fund balance as a result of the transfer (as of February 1, 2012) of the net assets received upon dissolution of the former CDA.
3. The completion of the Arrillaga Family Gymnastics Center resulted in an increase in capital assets above and beyond the amount recorded as capital outlay on the City's books. Although traditional capital outlay has no ultimate effect on net assets, additional value was added to the City's capital assets due to the private contributions that made the new recreation facility projects possible. In accordance with GASB 34 (see separate discussion below), this additional value was recognized in the City-wide financial statements by using the insured value of the new buildings as opposed to the City's cost.
4. The City's 2011-12 CAFR has been prepared in conformance with all applicable authoritative requirements and guidelines, including compliance with Government Accounting Standards Board Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54). This standard, which was first implemented in the prior fiscal year, established new categories for reporting fund balances and revises the definitions for governmental fund types. GASB 54 eliminated the previous categories of "Reserved" and "Unreserved" for all governmental fund balances, and replaced them with categories that create a



hierarchy of constraints that control how specific amounts can be spent. The issuance of GASB 54 prompted the adoption a fund balance policy for the City which established two commitments of the General Fund balance: an Emergency Contingency of \$6,000,000, and Economic Stabilization amount of \$8,000,000. In addition to assignments of funds for specific purposes (such as the subsequent year's transfer for infrastructure maintenance and outstanding contractual obligations), \$959,320 of the fund balance was assigned to the completion of the Housing Element Update. This amount represents the total authorization of \$1.15 million General Fund reserves to the project, less any amounts expended through June 30<sup>th</sup>. The resulting *unassigned* fund balance was nearly \$1.8 million in the General Fund at year end.

The auditor's unqualified opinion is presented as the first item in the financial section of the CAFR. In accordance with Government Auditing Standards, the auditors also issue a report of recommendations to City management identifying any areas for improvement in the City's internal control over financial reporting. The auditor's report will be discussed with the City's management and the Finance and Audit Committee.

Each year the City participates in the CAFR award program administered by the Governmental Finance Officers of America (GFOA), and has been successful in obtaining the award each fiscal year beginning in 1989-90. Staff intends to submit the City's FY 2011-12 CAFR to the GFOA program and is confident that the report will again merit the GFOA Certificate of Achievement for Excellence in Financial Reporting. However, due to the delays in the completion of the audit and the issuance of the report, staff requested an extension to the certificate program's submission deadline of December 31<sup>st</sup>. A one-month extension was approved.

### **Governmental Accounting Standards Board (GASB) Statement No. 34 - Infrastructure Valuation and Investment**

The fiscal year ended June 30, 2012 marks the tenth year that the City of Menlo Park has issued its financial statements in the format prescribed by the provisions of GASB Statement 34. The most significant contributions to the financial reporting of governmental agencies resulting from GASB 34 are reflected in:

- the Government-wide Financial Statements, which include the City's entire financial information on a full accrual basis of accounting in a manner consistent with private sector reporting.
- the Government-wide Statement of Net Assets, which includes the recording of land, buildings, equipment and infrastructure as Capital Assets. These assets are now expensed through depreciation on the Government-wide Statement of Activities.

The requirement to report general infrastructure as balance sheet assets was one of the most far-reaching changes ever made in municipal reporting. GASB defines public infrastructure assets as long-lived capital assets associated with governmental activities that normally are stationary in nature, such as streets and bridges, and can be preserved for a significantly greater number of years than most capital assets. An infrastructure asset

valuation was performed in fiscal year 2002-03 to capture the costs of each of the City's infrastructure subsystems, and infrastructure assets were first included in the CAFR that fiscal year. Straight line depreciation is now calculated each fiscal year by asset type. Current year capital acquisitions are tracked, with completed projects previously under construction recorded in the proper asset group. Disposals of capital assets are also recorded. Per the Statement of Net Assets at the end of June 30, 2012, the total capital assets value of Governmental Activities (i.e., City wide assets except the Water Enterprise Fund) is \$367.1 million. For FY 2011-12 the depreciation expense for these assets was \$5.2 million. The Water Enterprise Fund's capital assets value is \$9.5 million. As infrastructure assets are a significant investment for the City, maintenance of these assets is a vital factor in the City's long-term financial health, and a major consideration in each year's budget process. The annual \$2.2 million transfer from the General Fund to the Capital Improvement Project (CIP) Fund recognizes the importance of timely infrastructure maintenance to prevent more costly repairs and maintenance in the future. This annual transfer is unique to municipal operating budgets, but is considered critical to the sustainability of the City's fiscal health for the long-term.

In addition to providing for the reporting of infrastructure and government-wide financial statements, GASB 34 requires a Management's Discussion and Analysis (referred to as MD&A) with the intent of giving readers an objective and easily readable analysis of the City's financial performance for the year. The MD&A includes a discussion of the basic financial statements, some condensed financial information, an analysis of the City's financial position and results of operations on both a City-wide and Fund basis. The Management Discussion and Analysis begins on page 3 of the CAFR.

### **General Fund Status**

General Fund highlights for the 2011-12 fiscal year are summarized in the MD&A. The results of General Fund operations were this year revised from the "Un-audited Review and Budgetary Comparison Schedule" prepared as an information item for the October 23rd Council meeting (Staff Report 12-158). That report stated that General Fund net operating revenues for the 2011-12 fiscal year was approximately \$1.84 million. However, in closing the books on the former redevelopment agency, Staff determined that a secured property tax remittance of \$99,932 from the County in December 2011 had mistakenly been recorded as tax increment to the former agency. This increase in General Fund revenue was partially offset by a downward correction to interest income, as the year end interest accrual on the City's LAIF account was booked incorrectly. Once the adjustments were posted, the resulting net General Fund surplus for the year was \$1,892,060.

The surplus was the result of positive variances in both revenues and expenditures. As noted in the October report of General Fund unaudited financial results for the 2011-12 fiscal year, the largest revenue variance were experienced in Charges for Services (nearly \$500,000) and Licenses and Permits, due to the continued higher volume of development activity. The additional revenues indicate that reimbursements were made for the significant draw on General Fund resources required on development applications throughout the year.

Included in the fiscal year's General Fund cost of operations are expenditures incurred in the fiscal year (\$338,515) to complete the El Camino Real/Downtown Specific Plan. The Specific Plan was five years in the making, and highlighted the need to provide reliable funding for similar multi-year comprehensive planning efforts. Therefore, General Fund expenditures also include \$67,740 of costs accounted for within the newly-established Comprehensive Planning Fund. Although it acts as a sub-fund of the General Fund for reporting purposes, the separate Comprehensive Planning Fund allows for the tracking of large planning efforts and facilitates the identification of appropriate funding sources for these projects. Expenditures of the sub-fund in 2011-12 were specifically incurred for the Housing Element Update, a very large project initiated late in the fiscal year with a tight timeline for completion. The project has a budget of \$1.15 million. That which was unspent as of June 30, 2012 is reported as *assigned* fund balance in the General Fund, reflecting the Council's intent of drawing on unrestricted fund balance (reserves) for the completion of this project.

Budgetary savings (positive expenditure variances) were experienced in every department. Although total departmental budget variances reflect savings of over \$2.4 million (over 6.6 percent), the savings include approximately \$680,000 of the 2011-12 budget for the Housing Element Update. In terms of regular operating costs, the savings are closer to \$1.8 million, a more realistic 4.8 percent of General Fund operating costs. Still, this is a relatively high percentage of expenditure savings. Nearly half of the expenditure variances were due to savings in the category of personnel costs in the form of a higher overall level of vacancies. Since local government expenditure budgets (appropriations) serve as the legal level of budgetary control, some level of savings will be realized in any fiscal year.

The "Budgetary Comparison Schedule, General Fund", shown as part of the Required Supplementary Information (RSI) on page 79 of the CAFR, reflects the variances noted above. Of the \$2.4 million in departmental expenditure "savings" (positive expenditure variance on the Budgetary Comparison Schedule) attributable to General Fund operations in the fiscal year, there were approximately \$280,000 of encumbrances (contracts and commitments), which will carry forward into the next fiscal year. These encumbrances, along with the remaining balance of the Housing Element Update budget, are shown as an assignment of the General Fund balance, on page 65 of the CAFR.

### **Other Funds**

As noted in the MD&A, which precedes the basic financial statements, the City's total net assets increased by nearly \$31 million during the fiscal year ending June 30, 2012. Most of the gain in net assets was attributable to the transfer of all assets and liabilities of the former redevelopment agency to the Successor Agency. This transfer is reflected as a \$28.1 million extraordinary gain in the government-wide financial statements, as the long-term debt (\$61 million as of June 30, 2012) exceeded the former agency's assets. Similar to the prior year, the statements also reflect an increase in capital assets which exceeded the City's cost of these assets. In particular, the completion of the new gymnastics center increased the City's capital assets by over \$10.0 million; approximately half of this cost was donated to the City (capital contributions) from the Arrillaga family. Offsetting these increases in net assets was a decrease in governmental revenues: the dissolution of the redevelopment agency

resulted in the total loss of property tax increment (nearly \$10 million in 2010-11), while expenditures for the former agency continued to draw on redevelopment reserves through January 31, 2012.

The MD&A also discusses changes in the General Capital Improvement Project Fund, which is now considered a major fund for financial statement purposes. In 2011-12, fund expenditures of \$1.7 million were less than the annual transfer from the General Fund for infrastructure maintenance, so the resulting net change in fund balance for the year was an increase of over \$1.1 million. The surplus is typical for the fund, which provides significant funding to the semi-annual street resurfacing project. Similarly, the Highway Users (Gas) Tax and the Construction Impact Fee funds, non-major funds which also provide funding for this project, reported increased fund balances. Work on the \$5.7 million 2011-12 Street Resurfacing Project included the detailed design and selection of streets to be resurfaced throughout the City; construction started in late June 2012.

The Below Market Rate Housing Fund is also a major fund for financial statement purposes starting in fiscal year 2011-12. The balance at fiscal year-end is increased slightly (\$509,000). The two below market rate housing units that had been expensed to the fund in a previous fiscal year are reflected as assets held for resale on the Governmental Funds Balance Sheet. Also noted was an increase in the City's Traffic Impact Fees fund due to the receipt of traffic mitigation fees for the Stanford Medical Center expansion. The large drop in fund balance in the Recreation In-Lieu Fund was due to the \$3.1 million in expenditures for the completion of the Arrillaga Family Gymnastics Center.

The City of Menlo Park maintains an enterprise fund to account for the activities of the Menlo Park Municipal Water District. The fund, separated between operating and capital activities, is self-supporting: the sale of water to customers generates the revenue needed to support the operations and capital needs of the district. The water operations experienced a net loss of \$435,373 (7.6 percent of operating revenues) in fiscal year 2011-12, due to rate increases in water purchases. The MD&A discusses the adoption of a 16.5 percent annual increase in water meter and tiered consumption rates through fiscal year 2013-14, based on projected increases in the cost of water.

The City's four Internal Service Funds (ISFs) are utilized to report activities that provide insurance services and vehicle replacement to support the City's various programs and functions. The net assets reported in these funds decreased by \$327,180 in fiscal year 2011-12. In particular, the City's Workers' Compensation Insurance Fund decreased as charges to the departments fell short (\$252,072) of the costs of the fund for insurance and the payment of claims. This was anticipated, as the net assets accumulated in prior years exceeded demands of the fund, including actuarially determined incurred liabilities, and charges to the departments which were scaled back in recent fiscal years. Similarly, the General Liability Insurance Fund was unable to meet operating expenses of the fund; internal charges for services had to be increased at year end to keep this fund's balance positive. After ending the prior fiscal year with an increase in net assets of \$210,000, the fund balance dropped \$107,657 (to \$1,400) in 2011-12.

The impact of the 2011-12 fiscal year results for the City's General Fund on the current year budget continues to be analyzed in conjunction with a monthly budget-to-actual review. A

review of all the City's funds, an update on the status of major projects and priorities, and an update of economic conditions will be presented to the Council with the mid-year report and budget adjustments in February 2013. At that time, the long-term financial forecast will also be revised.

## **IMPACT ON CITY RESOURCES**

Acceptance of the City's CAFR has no direct impact on City resources. However, obtaining an unqualified opinion from the auditor is an important independent verification and validation of the City's financial management practices and a prerequisite to receive the GFOA award. An award-winning CAFR contributes to the City's excellent bond rating.

## **POLICY ISSUES**

The acceptance of the City's Comprehensive Annual Financial Report does not represent any changes to existing City policies.

## **ENVIRONMENTAL REVIEW**

Environmental Review is not required.

Signature on file

Carol Augustine  
Finance Director

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

## **ATTACHMENTS:**

- A. [Comprehensive Annual Financial Report \(CAFR\) 2012-13](#)