



CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, March 26, 2013
6:00 P.M.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers

6:00 P.M. STUDY SESSION

- SS1.** Provide general direction on the 5-year Capital Improvement Plan; including capital and other projects to be included in the City Manager's proposed 2013-14 budget
(Staff report #2013-042)

7:00 P.M. REGULAR SESSION

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

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS

A. PRESENTATIONS AND PROCLAMATIONS

- A1. Proclamation declaring March Red Cross Month

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

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

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

D. CONSENT CALENDAR

- D1.** Adopt a resolution approving the final map for the artisan subdivision located at 389 El Camino Real; accepting dedication of a storm drain easement, a pedestrian access easement and an emergency vehicle access easement; approving the abandonment of Alto Lane and the existing storm drain easements; authorizing the City Clerk to sign the final map; and authorizing the City Manager to sign the subdivision improvement agreement (Staff report #13-045)
- D2.** Adopt a resolution to approve an amendment to the water supply agreement with the City and County of San Francisco (Staff report #13-040)

- D3. Authorize an increase to the construction agreement with G. Bortolotto & Co. Inc. for additional work associated with the 2012 Street Resurfacing of Federal Aid Routes Project [Federal Aid Project No. 04-5273 (021)], in the amount of \$45,000 and authorize a total budget of \$617,169.39 for construction, contingencies, material testing, inspection and construction administration **(Staff report #13-044)**
- D4. Approve two League of California Cities bylaws amendments **(Staff report #13-039)**
- D5. Accept minutes for the Council meetings of March 5 and March 12, 2013 **(Attachment)**
- D6. Adopt the 2013 City Council goals **(Staff report #13-047)**
- D7. Agenda item request for the City of Menlo Park to join the South Bay Waste Management Authority (SBWMA) Blue Ribbon Task Force **(Attachment)**
- D8. Approve a resolution disbanding certain Commissions and approve modifications to City Council Policy CC-01-0004: Commissions/Committees Policy and Procedures and Roles and Responsibilities and receive an update in recruitment **(Staff report #13-038)**

E. PUBLIC HEARINGS

- E1. Consider a request for rezoning, conditional development permit, lot line adjustment, heritage tree removal permits, below market rate housing agreement, development agreement and environmental review for the Facebook West Campus located at the intersection of Bayfront Expressway and Willow Road **(Staff report #13-041)**

F. REGULAR BUSINESS

- F1. Accept the 2012-13 mid-year financial summary and adopt a resolution approving the recommended amendments to the 2012-13 operating and capital budgets **(Staff report #13-046)**
- F2. Consider a request for architectural control, license agreement and encroachment permit, and heritage tree removal permits for a proposed limited-service, business-oriented hotel at 555 Glenwood Avenue **(Staff report #13-043)**
- F3. Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item – None

G. CITY MANAGER'S REPORT – None

H. WRITTEN COMMUNICATION – None

I. INFORMATIONAL ITEMS – None

J. COUNCILMEMBER REPORTS

K. PUBLIC COMMENT #2 (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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At every Regular Meeting of the City Council, in addition to the Public Comment period where the public shall have the right to address the City Council on the Consent Calendar and any matters of public interest not listed on the agenda, members of the public have the right to directly address the City Council on any item listed on the agenda at a time designated by the Mayor, either before or during the Council's consideration of the item.

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

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: March 26, 2013

Staff Report #: 13-042

Agenda Item: SS-1

STUDY SESSION: Provide General Direction on the 5-Year Capital Improvement Plan Including Capital and Other Projects to be Included in the City Manager's Proposed 2013-14 Budget

RECOMMENDATION

Staff recommends that Council provide general direction on the 5-year Capital Improvement Plan including capital and other projects funded in fiscal year 2013-14, (Attachment A), and approve the general direction included in the 5-Year Capital Improvement Plan.

BACKGROUND

A 5-Year Capital Improvement Plan (CIP) provides a useful long-term planning tool, increasing clarity regarding project status by distinguishing between funded projects, proposed projects, planned projects and unfunded projects. An additional purpose of the CIP is to ensure resources are optimally prioritized in each fiscal year. The CIP is intended to incorporate the City's investments in infrastructure development and maintenance (i.e. capital improvements), with comprehensive planning and other significant capital expenditures adding to, or strategically investing in, the City's asset inventory. Studies and capital expenditures less than \$25,000 are included in the operating budget instead of the CIP. This updated CIP continues to incorporate long term planning projects based on the Planning Division's comprehensive work plan for the General Plan update, although a stable funding source has yet to be determined. The CIP also includes several technology infrastructure projects not originally included in the calculation used to determine the required annual infrastructure maintenance cost.

The 2013-14 CIP process started in September 2012 when departments submitted potential projects to a cross-departmental staff team for review, analysis and prioritization. Commissions received the draft CIP in late November and were asked to gather and provide community input on the plan at their December and January meetings. Each Commission reviewed the 5-year plan and provided comments on time frames for proposed projects or suggested new projects to be included. Written input from the Commissions is included in Attachment C. Overall, Commissions supported the proposed Plan and had some input which included suggestions for reassigning projects from the unfunded list to the active list, accelerating projects, adding new

and/or eliminating projects and updating some project descriptions. Council priorities, lack of staffing or funding sources to implement projects generally made adding all projects suggested not possible at this time.

ANALYSIS

This report provides Council with the proposed CIP for 2013-18 which includes various time frame changes, project description updates, and the removal of some projects from the list of those previously recommended for funding. Some new projects have also been added to the interim years and the final year of the 5-year CIP. As was the process last year, staff seeks direction identifying the projects to be included in the upcoming fiscal year's Budget. Both the 5-Year CIP for fiscal years 2013-14 through 2017-18 and the City Manager's proposed budget for fiscal year 2013-14 will be presented to the Council in May for approval and adoption.

Proposed changes to the previous year's Plan came from staff analysis of each project using established criteria, including: public health and safety risk exposure, protection of infrastructure and cultural heritage, economic development and redevelopment, impacts on operating budgets, external requirements (such as State mandates), population served, community/Commission support and more. Attachment B includes revisions to the previous Plan. Projects not ranked high enough according to these criteria are recorded in the ongoing index of unfunded projects included as Appendix C of the CIP report.

A new section has been added to the plan to include non-funded projects from previously approved plans. These include the following plans:

- Citywide Storm Drainage Study (2003)
- El Camino Real/Downtown Specific Plan (2012)
- Transportation Impact Fee Study (2009)
- Water System Evaluation Report (2006)
- Comprehensive Bicycle Development Plan (2005)

This 5-year CIP includes 25 projects recommended for implementation in FY 2013-14 and 53 additional projects for implementation in future years. Last year's CIP included 28 projects recommended for implementation in FY 2012-13 and 41 additional projects recommended for implementation in future fiscal years. Several of the proposed projects in this CIP address ongoing infrastructure or facility maintenance needs and are programmed on an annual, bi-annual or other periodic basis. Examples include street resurfacing and sidewalk repair.

Challenges to the 5-Year CIP

Staffing and other resources limit ability to implement projects: The proposed 5-year CIP was developed with constraints for available funding. Projects were not recommended unless they had an identifiable and realistic source of funding (the significant exceptions include comprehensive planning projects and technology upgrades that do not have a dedicated funding source are discussed below). However, due to the need to commit significant staff resources to major City facility projects in 2010-11 and 2011-12, the 5-year CIP was not adequately constrained by available staff resources to implement the projects. The new unbudgeted City Buildings constructed in 2010-11 and 2011-12 created a back log that has continued to impact the current and planned projects. Some projects were shifted to a subsequent year, competing with other needed projects for staff resources. In addition, the dissolution of the Redevelopment Agency (RDA) resulted in the elimination of a vacant Senior Engineer position which was funded by the RDA. Staff has attempted to avoid scheduling capital projects without first ensuring that adequate staff resources are available to provide construction oversight and administrative management of the project.

Funding source for Comprehensive Planning Projects: The 2010-11 CIP included a “placeholder” category of Comprehensive Planning Projects and Studies to be developed in conjunction with the Community Development Department’s long term planning process workplan, and a Comprehensive Planning Projects was established as a subfund of the General Fund. In the 2012-13 budget, a \$250,000 transfer from the General Fund was initiated to provide minimal funding for these projects while a more permanent funding strategy was sought. Upon completion of the El Camino Real/Downtown Specific Plan, which was funded from General Fund Reserves, Council approved a specific plan preparation fee in order to apply the \$1,691,000 cost of the plan directly to future development in the project area, based on the square footage of such net new development. Revenues from this fee will be deposited directly into the Comprehensive Planning Projects Fund, and will help offset some of the funding needed for these projects as development within the Specific Plan area gets underway. However, with over \$3.3 million in Comprehensive Planning projects outlined in the proposed 2013-18 CIP (excluding resources needed for the implementation of the Housing Element), such revenues will be insufficient. Recently, staff recommended funding the Comprehensive Planning Projects Fund via an annual General Fund transfer based on development activity revenues, but the Council expressed some concern about the variability of such funding and their desire to direct funding to specific projects.

This year’s updated CIP provides further specificity in the Comprehensive Planning project category, but does not yet include a designated long term funding source or strategy. Staff is currently reevaluating acceptable options for addressing this unmet need in the future. The One-time Revenue generated by the dissolution of the RDA and the sale of properties owned by the City, could be a potential funding source for Comprehensive Planning Projects. Staff will need to evaluate this option further and return to Council for recommendation.

Funding source for Technology Upgrades: When the City began the practice of transferring General Fund dollars into the General Fund CIP in 2006, the appropriate amount of the transfer was based upon estimates of annual infrastructure maintenance needs with infrastructure defined as City buildings, roads, parks and physical assets. As the CIP process has evolved, the City has used the CIP as a way to fund other investment needs, such as upgrading the City's website or introducing technology solutions at the library. As with comprehensive planning projects, a designated long term funding source or strategy for these projects has not yet been developed. Recently staff recommended that infrastructure maintenance projects in the 5-year CIP be isolated in a separate fund for better tracking of the annual General Fund transfer, and that all other capital projects (including major technology upgrade projects) remain in the General Fund CIP with funding from one-time revenues. Similar to Comprehensive Planning projects, staff will need to evaluate this and other funding options further and return to Council for recommendation.

2013-14 Capital Spending

In accordance with Council's direction on the CIP for the 2013-14 fiscal year, staff will include funding for infrastructure maintenance and develop line item budget detail for all projects approved for the first fiscal year of the 5-year CIP (Attachment A). The 5-year CIP contains the listing of the 25 projects staff is recommending for inclusion in the 2013-14 budget, reflected in the two tables shown on page 55, as replicated below.

Table E.1 – New Capital Projects Summary FY 2013-14

New Capital Projects	FY 2013/14 Budget	5-Year Total Budget
Automated Library Return Area Renovation	120,000	120,000
Bedwell Bayfront Park Leachate Collection System Replacement	100,000	1,000,000
City Website Upgrade	75,000	75,000
Downtown Parking Utility Underground	100,000	4,650,000
El Camino Real/Ravenswood NB Right Turn Lane	200,000	1,350,000
El Camino Real Lane Reconfiguration Alternatives Study	200,000	200,000
Emergency Water Supply Project	2,800,000	2,800,000
Energy Efficiency/Renewable Energy Program for Residential and Commercial Sector Master Plan	60,000	60,000
Facility Energy Retrofit	325,000	650,000
General Plan Update (M-2 Area Plan)	1,000,000	5,00,000
High Speed Rail Coordination	50,000	250,000
Housing Element Implementation Programs – Ordinances and Policies	TBD	TBD
Improved Infrastructure for the Delivery of Electronics Library Services-Study	37,000	37,000

Information Technology Master Plan	111,000	111,000
Library Landscaping	50,000	350,000
Library RFID Conversion	29,000	29,000
Pope/Chaucer Bridge Replacement	100,000	100,000
Radio Replacement	395,000	521,000
Sand Hill Road Pathway Repair	50,000	300,000
Sidewalk Master Plan Implementation	100,000	500,000
TOTAL	5,902,000	13,103,000

The listing does not include current projects that are fully funded in this or a previous year's budget and are continuing into 2013-14. Rather, the list shows only new projects and current projects that require an additional funding appropriation. Included for 2013-14 are 20 new capital projects for a total of \$5,902,000.

Also included for the 2013-14 fiscal year are five projects, many of which are on-going from year-to-year, pertaining to the maintenance of current infrastructure. These projects total \$6,100,000 in the current fiscal year, which is higher than the previous year due to the two-year street resurfacing cycle that includes design in even years and construction in odd years. The average annual funding for infrastructure maintenance over the entire five year period covered by the CIP from all funding sources is approximately \$4.1 million per year.

Table E.2 – Maintenance of Current Infrastructure Projects Summary FY 2013-14

Maintenance of Current Infrastructure	FY 2013/14 Budget	5-Year Total Budget
City Buildings (Minor)	300,000	1,525,000
Park Improvements (Minor)	120,000	640,000
Sidewalk Repair Program	300,000	1,500,000
Storm Drain Improvements	110,000	570,000
Street Resurfacing	5,270,000	16,290,000
TOTAL	6,100,000	20,525,000

Staff recommends that the Council provide direction on the projects on page 55 of the 5-Year CIP (Attachment A) so that the development of the 2013-14 budget can proceed with an accurate distribution of personnel costs between programs, projects and funds.

Update of Current Capital Improvement Projects

Included as Attachment D is an overall summary table and status report of funded projects that are currently active and projects that have been completed since the last update in October 2012 and those that will start later. Previously, this information was

provided as a separate Council information item. In addition, a project composite of current projects and overview can be found in Appendix B of Attachment A.

Library Space Needs Assessment

An item that was provided recently and was not considered in the 5-year CIP includes a request from the Menlo Park Library Foundation Board to complete a space need assessment study for the Main library.

The library which was originally constructed in 1957 has been expanded twice, last time in 1990, and has internal load bearing walls and different substructures in each area which complicate internal remodeling. The goal will be to use the existing space to create greater flexibility, capacity and efficiency. There may also be a need to expand parts of the building to accommodate programs that have grown substantially in the past years. The space that needs assessment work will be the basis for planning a useful building that will function well for the next twenty years. Current needs for increased connectivity, spaces for quiet study or group work will be addressed while still allowing the capacity to change when some new, as yet foreseen, need comes in the future. This project will be considered for FY 2014-15 and included in next year's CIP.

IMPACT ON CITY RESOURCES

The purpose of early review and approval by the City Council of the 2013-14 capital improvement projects is to enable the distribution of staff hours and other resources that will be dedicated to capital projects in the development of the City Manager's proposed budget for the 2013-14 fiscal year.

Ultimately, the choices that the City Council makes about service levels and projects will determine where City resources are budgeted.

POLICY ISSUES

Council to provide approval of the proposed capital and comprehensive planning projects to be included in the 2013-14 budget in the context of the 5-year CIP. The proposed budget will then better reflect the Council's priorities for meeting the City's capital needs. This portion of the budgeting process, leading to Council adoption in June, represents no changes in City policy.

ENVIRONMENTAL REVIEW

Environmental review is not required of the 5-year CIP or the projects listed for the 2013-14 fiscal year. Certain projects, however, may be subject to environmental review before they are implemented.

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. Five-Year Capital Improvement Plan
- B. Revisions to the Previous Year's CIP
- C. Commission Input Memoranda
- D. Current Capital Improvement Projects Update

March 14, 2013

CITY OF MENLO PARK

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

FY 2013-18



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INTRODUCTION

This 5-year Capital Improvement Plan (CIP) for the City of Menlo Park is the community's plan for short and long-range development, maintenance, improvement and acquisition of infrastructure assets to benefit the City's residents, businesses, property owners and visitors. It provides a linkage between the City's General Plan, various master planning documents and budget, and provides a means for planning, scheduling and implementing capital and comprehensive planning projects over the next 5 years (through FY 2017/18).

This is the fourth year of the new CIP, which provides a long-term approach for prioritizing and selecting new projects in the City. Although the plan document is updated annually, it allows the reader to review projects planned over the full 5-year timeframe, and provides an overview of works in progress. The CIP is intended to incorporate the City's investments in infrastructure development and maintenance (i.e. capital improvements) with other significant capital expenditures that add to or strategically invest in the City's inventory of assets. Studies and capital expenditures of less than \$25,000 are not included in the CIP.

Procedures for Developing Five-Year Capital Improvement Plan

The procedures for developing the five-year CIP aim to enhance the City's forecasting, project evaluation and community engagement processes by creating a resource "toolbox" to be used throughout the decision-making process. It is not intended to limit the City's ability to adjust its programs, services and planned projects as unexpected needs, opportunities or impacts arise. With this in mind, the Council, City Manager, CIP Committee and other participants will need to observe these procedures and draw upon a variety of resources in order to effectively update and administer the plan.

Procedures for Submitting and Amending Projects

Department managers initiate requests for new projects or purchases, and modifications to or reprioritization of existing projects. Initiating requests are accomplished by sending completed request form(s) and supporting information to the City Manager within the timeframes established by the Finance Department for annual budget preparation.

Request forms include estimated costs, benefits, risks associated with not completing the project/purchase, funding source(s), availability of funds, estimated timeframe for completing the project/purchase, and any anticipated impacts to previously approved projects.

Evaluation and Preliminary Ranking by Committee

The CIP Committee performs the initial evaluation and ranking of proposed projects. Committee members consist of the City Manager or his/her designee; the Directors of Community Development, Community Services, Finance and Public Works; the Maintenance and Engineering Division Managers and any other staff, as designated by the City Manager. The Committee meets as needed, but not less than once each calendar year.

The Committee furnishes copies of its preliminary project rankings to all Department Managers prior to review by City Commissions and approval by the City Council.

Community Input

Annual updating of the City's 5-year CIP is an integral part of the budget process. Early development of the CIP provides time for adequate review by the City's various commissions prior to Council consideration and incorporation into the annual budget. The draft CIP is posted to the City's website to encourage public input during this review process. The public also has opportunities to comment on the plan through the review processes of the various commissions and during the public hearing held prior to the adoption of the plan by the City Council.

Prioritization Criteria

Projects are prioritized in accordance with evaluation criteria which include, but are not limited to, the following:

- Public Health and Safety/Risk Exposure
- Protection of Infrastructure
- Economic Development
- Impacts on Operating Budgets
- External Requirements
- Population Served
- Community/Commission Support
- Relationship to Adopted Plans
- Cost/Benefit
- Availability of Financing
- Capacity to Deliver/Impacts to Other Projects

Projects that are not ranked high enough to be prioritized for this 5-year plan are recorded in an ongoing index of non-funded projects attached to the CIP. Indexing extends back a minimum of 4 years from the current fiscal year.

Funding Plans for Five-Year CIP

Once each year, the Council adopts an updated 5-year CIP that includes all prioritized short and long-term projects. Each year, the proposed CIP is published for public review prior to a Public Hearing where the City Council will receive public comments and discuss the plan. Following the Public Hearing the City Council will modify and/or adopt the CIP.

Project Development and Selection Process

The projects proposed in this 5-Year CIP were derived from a variety of sources, including but not limited to, recommendations from the City's Infrastructure Management Study (2007), the Sidewalk Master Plan (2009), the Climate Action Plan (2009), and the 2009-2014 Redevelopment

Implementation Plan (2009). Projects were analyzed and ranked by Department Heads and staff during the development of the draft plan.

Although not typically included as capital improvements, studies estimated to cost over \$25,000 are included in the CIP. Capital expenditures amounting to less than \$25,000 are not included in the CIP. Budget information relating to studies and capital expenditures of less than \$25,000 are included in the City Manager's Recommended Budget, utilizing appropriate operating funds.

This 5-Year CIP includes 25 new projects recommended for implementation commencing in FY 2013/14 and 53 additional projects recommended for funding in future fiscal years. Other proposed projects that are not currently recommended are incorporated into the index of non-funded projects in Appendix C. The index also includes projects for which grant funding is being sought but has not yet been awarded.

Proposed Projects

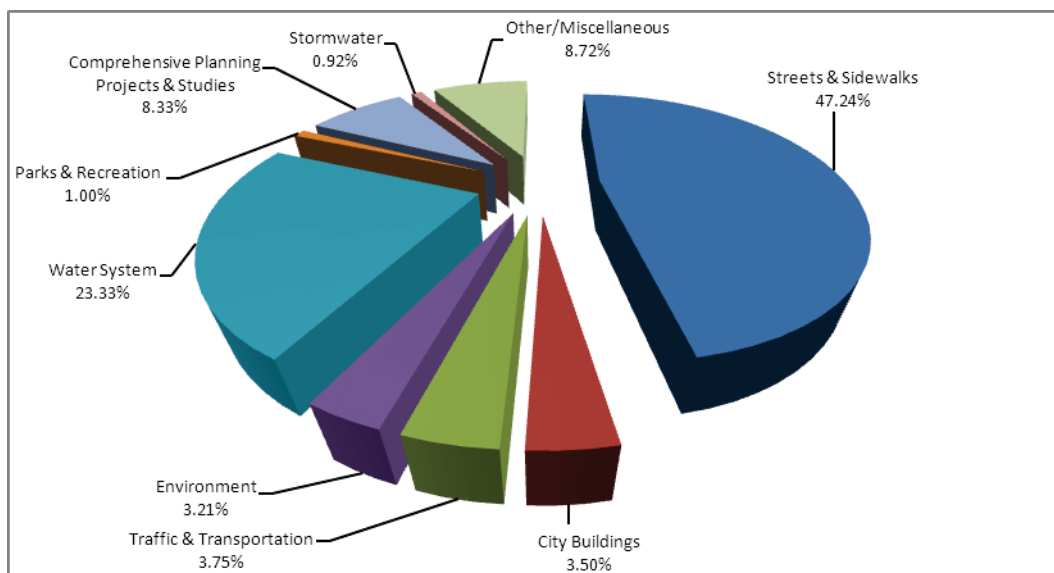
Several of the proposed projects in this CIP address ongoing infrastructure or facility maintenance needs and are programmed on an annual, bi-annual or periodic basis. Examples include street resurfacing and the sidewalk repair program.

New capital projects and projects involving maintenance of current infrastructure proposed for FY 2013/14 are listed in Appendix A and described in detail in Appendix E. Projects approved in prior fiscal years that have not yet been completed are listed in Appendix B.

Table 1 lists total funding levels for project categories proposed for FY 2013/14 with corresponding percentages of the total funding. Figure 1 graphically presents the percentages of total funding for each category.

Table 1 - Proposed Project Funding Levels for FY 2013/14 by Category

Project Category	FY 2013/14 Funding	Percent of Total CIP FY 2013/14
Streets & Sidewalks	5,670,000	47.24%
City Buildings	420,000	3.50%
Traffic & Transportation	450,000	3.75%
Environment	385,000	3.21%
Water System	2,800,000	23.33%
Parks & Recreation	120,000	1.00%
Comprehensive Planning Projects & Studies	1,000,000	8.33%
Stormwater	110,000	0.92%
Other/Miscellaneous	1,047,000	8.72%
TOTALS	\$12,082,000	100.00%

Figure 1 – FY 2013/14 Proposed Projects by Category

Project Funding Sources

The proposed FY 2013-18 CIP coordinates physical improvements with financial planning, allowing maximum benefits from available funding sources. The Plan relies on funding from various sources, largely retained in the Capital and Special Revenue funds, with uses that are usually restricted for specific purposes. Although an annual transfer from the General Fund to the City's General CIP Fund (currently \$2.5 million) is part of the City's operating budget, this funding is intended solely for maintaining *existing* infrastructure in its current condition. The restricted funding sources shown in Table 2 on the following page comprise the City's major project funding sources.

General Plan Consistency

The FY 2013/14 projects listed in this Five-Year CIP will be presented to the Planning Commission during a Public Hearing prior to forwarding the plan to the City Council. The Planning Commission must review the CIP in order to adopt a finding that it is consistent with the City's General Plan.

Environmental Review

The development of this 5-year plan is not a project, as defined in the California Environmental Quality Act (CEQA), and an environmental review is not required for its adoption. Individual projects listed herein may be subject to CEQA. Environmental reviews will be conducted at the appropriate times during implementation of those projects.

Table 2 – Funding Sources

Funding Sources	Fund No.	Uses	Primary Source Of Funds
Bedwell/Bayfront Park Maintenance/Operations	809	Park maintenance	Interest earned on sinking fund.
Comprehensive Planning Projects	864	Maintain, update and create land use planning docs. such as the General Plan, Specific Plans and Zoning Ordinance	Specific source of funds not yet established
Construction Impact Fee	843	Street resurfacing	Fee charged for property development based on construction value
Downtown Parking Permit	758	Parking lot maintenance and improvements	Annual and daily fees from permits issued to merchants for employee and customer parking
General CIP Fund	851	Capital Projects	Funding for on-going maintenance of current infrastructure is provided annually by the General Fund
Highway Users Tax	835	Street resurfacing, sidewalks	State Gasoline Taxes
Library Bond Fund (1990)	853	Library capital improvements	Bond issuance proceeds and interest earned
Bedwell/Bayfront Park Landfill	754	Landfill post-closure maintenance and repairs	Surcharge on solid waste collection fees paid by customers
Measure A	834	Street resurfacing, bicycle lanes, Safe Routes to Schools	½ cent Countywide sales tax
Measure T Bond	845	Recreation facilities, park improvements	2006 and 2009 bond proceeds and accumulated interest
Recreation In-lieu Fee	801	Recreation facilities, park and streetscape improvements	Fee charged for residential property development based on number of units and market value of land
Public Library Fund	452	Library projects and programs.	State grants
Sidewalk Assessment	839	Sidewalk repairs	Annual property tax assessment, per parcel
Solid Waste Service Fund	753	Solid Waste Management and Recycling Programs and Projects	Solid waste rates charged to residential and commercial accounts
Storm Drainage Connection Fees	713	Storm drainage capacity improvements	Fee charged for property development per lot, per unit, or per square foot of impervious area
Storm Water Management Fund (NPDES)	841	Storm water pollution prevention activities	Annual property tax assessment based on square footage of impervious area
Transportation Impact Fee (replaces Traffic Impact Fee)	710	Intersection improvements, sidewalks, traffic signals, traffic calming, bicycle circulation, transit systems	Fee charged for property development at per unit or per square foot rates
Water Fund – Capital	855	Water distribution and storage	Surcharge per unit of water sold

Appendix A-Capital Improvement Plan Summaries

NOTE: The 3 tables presented on the following pages provide the same listing of proposed projects sorted (1) by category, (2) by funding source and (3) by responsible department.

A.1 Projects by Category

Category	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Streets & Sidewalks						
Civic Center Sidewalk Replacement and Irrigation System Upgrades	-	-	-	400,000	-	400,000
Sidewalk Master Plan Implementation	100,000	100,000	100,000	100,000	100,000	500,000
Sidewalk Repair Program	300,000	300,000	300,000	300,000	300,000	1,500,000
Street Resurfacing	5,270,000	230,000	5,270,000	250,000	5,270,000	16,290,000
Streetlight Painting	-	75,000	-	-	-	75,000
TOTAL	\$5,670,000	\$705,000	\$5,670,000	\$1,050,000	\$5,670,000	\$18,765,000

City Buildings						
Administration Building Carpet Replacement	-	-	200,000	-	-	200,000
Arrillaga Recreation Center Light Replacement	-	-	32,000	-	-	32,000
Automated Library Return Area Renovation	120,000	-	-	-	-	120,000
Belle Haven Child Development Ctr. Carpet Replacement	0	50,000	-	-	-	50,000
Belle Haven Youth Center Improvements	-	-	-	-	150,000	150,000
City Buildings (Minor)	300,000	300,000	300,000	300,000	325,000	1,525,000
Fire Plans and Equipment Replacement at Council Chambers, Onetta Harris Community Cntr and Library	-	-	-	-	60,000	60,000
Library Furniture Replacement	-	-	-	-	450,000	450,000
Main Library Interior Wall Fabric Replacement	-	-	150,000	-	-	150,000
Menlo Children's Center Carpet Replacement	-	60,000	-	-	-	60,000
Retractable Lights Installation at Gymnasium and Gymnastics Cntrs	-	-	-	-	500,000	500,000
TOTAL	\$420,000	\$410,000	\$682,000	\$300,000	\$1,485,000	\$3,297,000

Projects by Category

Category	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Traffic & Transportation						
Alma/Ravenswood Pedestrian/Bike Study	-	60,000	-	-	-	60,000
Caltrain Bike/Ped Undercrossing Design	-	-	-	-	500,000	500,000
El Camino Real/Ravenswood NB Right Turn Lane Design and Construction	200,000	1,150,000	-	-	-	1,350,000
El Camino Real Lane Reconfiguration Alternatives Study	200,000	-	-	-	-	200,000
Florence/Marsh and Bay/Marsh Signal Modification	-	-	345,000	-	-	345,000
High Speed Rail Coordination	50,000	50,000	50,000	50,000	50,000	250,000
Laurel Street/Ravenswood Signal Modification	-	-	195,000	-	-	195,000
Middlefield Road at Ravenswood Avenue Intersection Reconfiguration Study	-	-	50,000	-	-	50,000
Middlefield Road at Willow Road Intersection Reconfiguration Study	-	-	-	50,000	-	50,000
Sand Hill Road Improvements (Addison/Wesley to I280)	-	-	-	TBD	-	0
Sand Hill Road Signal Interconnect	-	1,495,000	-	-	-	1,495,000
Sand Hill Road Signal Modification Project	-	-	-	250,000	-	250,000
Willow Road/VA Hospital/Durham Street Signal Modification	-	395,000	-	-	-	395,000
TOTAL	\$450,000	\$3,150,000	\$640,000	\$350,000	\$550,000	\$5,140,000

Environment						
Alternative Transportation Social Marketing Program	-	60,000	-	-	-	60,000
Bike Sharing Program Cost Benefit Study	-	-	-	60,000	-	60,000
City Car Sharing Program Study	-	-	-	-	50,000	50,000
Community Zero Waste Policy Draft	-	-	50,000	-	-	50,000
Installation of Electric Plug In Recharging Stations Cost Benefit Analysis and Plan	-	-	30,000	-	-	30,000
Energy Efficiency/Renewable Energy Program for Residential and Commercial Sector Master Plan	60,000	-	-	-	-	60,000
Heritage Tree Ordinance Program Evaluation	-	50,000	-	-	-	50,000
Facility Energy Retrofits	325,000	325,000	-	-	-	650,000
Requirement for Pharmacy to Take back Pharmaceuticals Draft Ordinance	-	25,000	-	-	-	25,000
TOTAL	\$385,000	\$460,000	\$80,000	\$60,000	\$50,000	\$1,035,000

Projects by Category

Category	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Water System						
Automated Meter Reading	-		50,000	1,200,000	1,200,000	2,450,000
Emergency Water Supply Project	2,800,000	-	-	-	-	2,800,000
Urban Water Management Plan	-	70,000	-	-	-	70,000
Water Main Replacements	-	-	300,000	2,200,000	-	2,500,000
Water Rate Study	-	50,000	-	-	-	50,000
TOTAL	\$2,800,000	\$120,000	\$350,000	\$3,400,000	\$1,200,000	\$7,870,000

Parks & Recreation						
Bedwell Bayfront Park Restroom Repair	-	-	95,000	-	-	95,000
Burgess Pool Deck Repairs	-	135,000	-	-	-	135,000
Jack Lyle Park Restrooms - Construction	-	40,000	200,000	-	-	240,000
Jack Lyle Park Sports Field Sod Replacement	-	80,000	-	-	-	80,000
La Entrada Baseball Field Renovation	-	-	-	170,000	-	170,000
Park Improvements (Minor)	120,000	130,000	130,000	130,000	130,000	640,000
Park Pathways Repairs	-	-	-	200,000	-	200,000
Willow Oaks Dog Park Renovation	0	50,000	250,000	-	-	300,000
TOTAL	\$120,000	\$435,000	\$675,000	\$500,000	\$130,000	\$1,860,000

Comprehensive Planning Projects & Studies						
General Plan Update (M-2 Plan)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Housing Element Implementation Programs-Ordinances and Policies	TBD	-	-	-	-	TBD
TOTAL	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000

Stormwater						
Chrysler Pump Station Improvements	-	350,000	-	-	-	350,000
Corporation Yard Storage Cover	-	-	-	300,000	-	300,000
Middlefield Road Storm Drainage Improvements	-	-	350,000	-	-	350,000
Storm Drain Improvements	110,000	110,000	115,000	115,000	120,000	570,000
Trash Capture Device Installation	-	-	60,000	-	-	60,000
TOTAL	\$110,000	\$460,000	\$525,000	\$415,000	\$120,000	\$1,630,000

Projects by Category

Category	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Other/Miscellaneous						
Baby Pool Analysis/Preliminary Design	-	-	-	-	100,000	100,000
Bedwell Bayfront Park Gas Collection System Repair	-	100,000	-	-	-	100,000
Bedwell Bayfront Park Leachate Collection System Replacement	100,000	900,000	-	-	-	1,000,000
City Website Upgrade	75,000	-	-	-	-	75,000
Downtown Parking Utility Underground	100,000	4,550,000	-	-	-	4,650,000
Downtown Streetscape Improvement Project (Specific Plan)	-	80,000	115,000	165,000	110,000	470,000
El Camino Real Median and Side Trees Irrigation System Upgrade	-	-	85,000	-	-	85,000
Housing Element Implementation Programs-Ordinances and Policies	-	-	-	-	-	TBD
Improved Infrastructure for the Delivery of Electronic Library Services-Study	37,000	-	-	-	-	37,000
Information Technology Master Plan	111,000	-	-	-	-	111,000
Integrated ERP System	-	TBD	TBD	TBD	TBD	0
Library Landscaping	50,000	300,000	-	-	-	350,000
Library RFID Conversion	29,000	-	-	-	-	29,000
Measure T Funds Evaluation/Project Ranking	-	-	125,000	-	-	125,000
Overnight Parking App	-	-	-	70,000	-	70,000
Parking Plaza 7 Renovations	-	-	-	-	200,000	200,000
Portable Concert Stage Trailer	-	52,500	-	-	-	52,500
Pope/Chaucer Bridge Replacement	100,000	0	0	0	0	100,000
Radio Replacement	395,000	26,000	100,000	0	-	521,000
Sand Hill Road Pathway Repair	50,000	250,000	-	-	-	300,000
TOTAL	\$1,047,000	\$6,258,500	\$425,000	\$235,000	\$410,000	\$8,375,500
FISCAL YEAR TOTALS	\$12,002,000	\$12,998,500	\$10,047,000	\$7,310,000	\$10,615,000	\$52,972,500

A.2 Projects by Funding Source

Funding Source	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
General Fund - CIP						
Available Balance ¹	5,886,000	4,178,000	4,116,500	2,716,500	3,174,500	
Revenues	2,400,000	5,300,000	2,500,000	2,500,000	2,500,000	
Operating Expenditures and Commitments	16,000	18,000	20,000	22,000	24,000	
Recommended Projects						
Administration Building Carpet Replacement	-	-	200,000	-	-	200,000
Arrilaga Recreation Center Light Replacement	-	-	32,000	-	-	32,000
Automated Library Return Area Renovation	60,000	-	-	-	-	60,000
Belle Haven Child Development Center Carpet Replacement	0	50,000	-	-	-	50,000
Belle Haven Youth Center Improvements	-	-	-	-	150,000	150,000
Burgess Pool Deck Repairs	-	135,000	-	-	-	135,000
Chrysler Pump Station Improvements	-	350,000	-	-	-	350,000
City Buildings (Minor)	300,000	300,000	300,000	300,000	325,000	1,525,000
City Website Upgrade	75,000	-	-	-	-	75,000
Civic Center Sidewalk Replacement and Irrigation Upgrades	-	-	-	400,000	-	400,000
Corporation Yard Storage Cover	-	-	-	300,000	-	300,000
Downtown Parking Utility Underground ²	100,000	2,750,000	-	-	-	2,850,000
Downtown Streetscape Improvement Project (Specific Plan)	-	80,000	115,000	165,000	110,000	470,000
El Camino Real Median and Side Trees Irrigation System Upgrade	-	-	85,000	-	-	85,000
Energy Efficiency/Renewable Energy Program for Residential and Commercial Sector Master Plan	60,000	-	-	-	-	60,000
Facility Energy Retrofits ³	325,000	325,000				650,000
Fire Plans and Equipment Replacement at Council Chambers, Onetta Harris Community Cntr and Library	-	-	-	-	60,000	60,000
Heritage Tree Ordinance Program Evaluation	-	50,000	-	-	-	50,000
High Speed Rail Coordination	50,000	50,000	50,000	50,000	50,000	250,000
Housing Element Implementation Programs-Infrastructure Improvements	-	-	-	-	-	TBD

Projects by Funding Source

Funding Source	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
General Fund - CIP - Continued						
Improved Infrastructure for the Delivery of Electronic Library Services-Study	37,000	-	-	-	-	37,000
Information Technology Master Plan	111,000	-	-	-	-	111,000
Installation of Electric Plug In Recharging Stations Cost Benefit Analysis and Plan	-	-	30,000	-	-	30,000
Integrated ERP System		TBD	TBD	TBD	TBD	TBD
La Entrada Baseball Field Renovation	-	-	-	170,000	-	170,000
Jack Lyle Park Sports Field Sod Replacement	-	80,000	-	-	-	80,000
Library Furniture Replacement					450,000	450,000
Library Landscaping	50,000	300,000	-	-	-	350,000
Library RFID Conversion	29,000	-	-	-	-	29,000
Main Library Interior Wall Fabric Replacement	-		150,000	-	-	150,000
Menlo Children's Center Carpet Replacement		60,000	-	-	-	60,000
Middlefield Road Storm Drainage Improvements	-	-	143,000	-	-	143,000
Overnight Parking App	-	-	-	70,000	-	70,000
Park Improvements (Minor)	120,000	130,000	130,000	130,000	130,000	640,000
Park Pathways Repairs	-	-	-	200,000	-	200,000
Portable Concert Stage Trailer	-	52,500	-	-	-	52,500
Pope/Chaucer Bridge Replacement	100,000	-	-	-	-	100,000
Radio Replacement	395,000	26,000	100,000	0	-	521,000
Retractable Lights Installation at Gymnasium and Gymnastics Cntrs	-	-	-	-	500,000	500,000
Sand Hill Road Pathway Repair	50,000	250,000	-	-	-	300,000
Sidewalk Repair Program	120,000	120,000	120,000	120,000	120,000	600,000
Storm Drain Improvements	110,000	110,000	115,000	115,000	120,000	570,000
Street Resurfacing	2,000,000	-	2,000,000	-	2,000,000	6,000,000
Streetlight Painting	-	75,000	-	-	-	75,000
Trash Capture Device Installation	-	-	60,000	-	-	60,000
Willow Oaks Dog Park Renovation	-	50,000	250,000	-	-	300,000
Total	4,092,000	5,343,500	3,880,000	2,020,000	4,015,000	19,350,500
Ending Fund Balance	4,178,000	4,116,500	2,716,500	3,174,500	1,635,500	

¹ The available fund balance for FY 13-14 includes \$1.1m received from Facebook and 1.23m from Stanford received in FY 2012-13.

² City to be reimbursed from PG&E with Rule 20A revenues shown in FY 2014-15.

³ City will receive a rebate of \$100,000 from PG&E FY 2014-15

Projects by Funding Source

Funding Source	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Bedwell Bayfront Park Landfill						
Available Balance	3,524,000	3,964,000	3,544,000	4,164,000	4,814,000	
Revenues	850,000	900,000	950,000	1,000,000	1,050,000	
Operating Expenditures and Commitments	310,000	320,000	330,000	350,000	370,000	
Recommended Projects						
Bedwell Bayfront Park Gas Collection System Repair	-	100,000	-	-	-	100,000
Bedwell Bayfront Park Leachate Collection System Replacement	100,000	900,000	-	-	-	1,000,000
Total	100,000	1,000,000	-	-	-	1,100,000
Ending Fund Balance	3,964,000	3,544,000	4,164,000	4,814,000	5,494,000	

Bedwell Bayfront Park Maintenance						
Available Balance	699,000	592,000	480,000	267,000	143,000	
Revenues	5,000	4,000	2,000	-	-	
Operating Expenditures and Commitments	112,000	116,000	120,000	124,000	128,000	
Recommended Projects						
Bedwell Bayfront Park Restroom Repair	-	-	95,000	-	-	95,000
Total	-	-	95,000	-	-	95,000
Ending Fund Balance	592,000	480,000	267,000	143,000	15,000	

Construction Impact Fees						
Available Balance	1,545,000	990,000	1,435,000	880,000	1,325,000	
Revenues	500,000	500,000	500,000	500,000	500,000	
Operating Expenditures and Commitments	55,000	55,000	55,000	55,000	55,000	
Recommended Projects						
Street Resurfacing	1,000,000	-	1,000,000	-	1,000,000	3,000,000
Total	1,000,000	-	1,000,000	-	1,000,000	3,000,000
Ending Fund Balance	990,000	1,435,000	880,000	1,325,000	770,000	

Downtown Parking Permits						
Available Balance	1,996,000	2,258,000	2,526,000	2,800,000	3,080,000	
Revenues	390,000	2,200,000	410,000	420,000	430,000	
Operating Expenditures and Commitments	128,000	132,000	136,000	140,000	144,000	
Recommended Projects						
Downtown Parking Utility Underground ¹	-	1,800,000	-	-	-	1,800,000
Parking Plaza 7 Renovations	-	-	-	-	200,000	200,000
Total	-	1,800,000	-	-	200,000	2,000,000
Ending Fund Balance	2,258,000	2,526,000	2,800,000	3,080,000	3,166,000	

¹ City to be reimbursed from PG&E with Rule 20A funds revenue shown in FY 2014-15.

Projects by Funding Source

Funding Source	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Highway Users Tax						
Available Balance	1,929,000	834,000	1,534,000	494,000	1,234,000	
Revenues	905,000	930,000	960,000	990,000	1,020,000	
Operating Expenditures and Commitments	-	-	-	-	-	
Recommended Projects						
Street Resurfacing	2,000,000	230,000	2,000,000	250,000	2,000,000	6,480,000
Total	2,000,000	230,000	2,000,000	250,000	2,000,000	6,480,000
Ending Fund Balance	834,000	1,534,000	494,000	1,234,000	254,000	

Measure A						
Available Balance	635,000	335,000	395,000	(80,000)	-	
Revenues	990,000	1,020,000	1,050,000	1,080,000	1,110,000	
Operating Expenditures and Commitments	720,000	740,000	760,000	790,000	810,000	
Recommended Projects						
Alma/Ravenswood Pedestrian /Bike Study		60,000	-	-	-	60,000
Alternative Transportation Social Marketing Program	-	60,000	-	-	-	60,000
Bike Sharing Program Cost Benefit Study	-	-	-	60,000	-	60,000
City Car Sharing Program Study	-	-	-	-	50,000	50,000
El Camino Real Lane Reconfiguration Alternatives Study	200,000		-	-	-	200,000
Florence/Marsh and Bay/Marsh Signal Modification	-	-	345,000	-	-	345,000
Middlefield Road at Ravenswood Avenue Intersection Reconfiguration Study	-	-	50,000	-	-	50,000
Middlefield Road at Willow Road Intersection Reconfiguration Study	-	-	-	50,000	-	50,000
Sand Hill Road Improvements (Addison-Wesley to I280)	-	-	-	TBD	-	TBD
Sidewalk Master Plan Implementation	100,000	100,000	100,000	100,000	100,000	500,000
Street Resurfacing	270,000	-	270,000	-	270,000	810,000
Total	570,000	220,000	765,000	210,000	420,000	2,185,000
Ending Fund Balance	335,000	395,000	(80,000)	-	(120,000)	

Measure T						
Available Balance	157,000	159,000	161,000	8,036,000	8,056,000	
Revenues	2,000	2,000	8,000,000	20,000	21,000	
Operating Expenditures and Commitments	-	-	-	-	-	

Projects by Funding Source

Funding Source	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Measure T - Continued						
Recommended Projects						
Baby Pool Analysis/Preliminary Design	-	-	-	-	100,000	100,000
Measure T Funds Evaluation/Project Ranking	-	-	125,000	-	-	125,000
Total	-	-	125,000	-	100,000	225,000
Ending Fund Balance	159,000	161,000	8,036,000	8,056,000	7,977,000	

Rec-in-Lieu Fund						
Available Balance	393,000	543,000	653,000	603,000	753,000	
Revenues	150,000	150,000	150,000	150,000	150,000	
Operating Expenditures and Commitments	-	-	-	-	-	
Recommended Projects						
Jack Lyle Park Restrooms - Construction	-	40,000	200,000	-	-	240,000
Total	-	40,000	200,000	-	-	240,000
Ending Fund Balance	543,000	653,000	603,000	753,000	903,000	

Sidewalk Assessment						
Available Balance	263,000	249,000	239,000	234,000	234,000	
Revenues	185,000	190,000	195,000	200,000	205,000	
Operating Expenditures and Commitments	19,000	20,000	20,000	20,000	20,000	
Recommended Projects						
Sidewalk Repair Program	180,000	180,000	180,000	180,000	180,000	900,000
Total	180,000	180,000	180,000	180,000	180,000	900,000
Ending Fund Balance	249,000	239,000	234,000	234,000	239,000	

Solid Waste Service Fund						
Available Balance	609,000	629,000	622,000	593,000	615,000	
Revenues	381,000	390,000	404,000	416,000	429,000	
Operating Expenditures and Commitments	361,000	372,000	383,000	394,000	406,000	
Recommended Projects						
Requirement for Pharmacy to Take back Pharmaceuticals Ordinance Draft	-	25,000	-	-	-	25,000
Community Zero Waste Policy Draft	-	-	50,000	-	-	50,000
Total	0	25,000	50,000	0	0	75,000
Ending Fund Balance	629,000	622,000	593,000	615,000	638,000	

Projects by Funding Source

Funding Source	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Storm Drainage Fund						
Available Balance	193,000	200,000	207,000	7,000	14,000	
Revenues	7,000	7,000	7,000	7,000	7,000	
Operating Expenditures and Commitments	-	-	-	-	-	
Recommended Projects						
Middlefield Road Storm Drainage Improvements	-	-	207,000	-	-	207,000
Total	-	-	207,000	-	-	207,000
Ending Fund Balance	200,000	207,000	7,000	14,000	21,000	

Transportation Impact Fees						
Available Balance ¹	1,484,090	1,999,090	714,090	484,090	199,090	
Revenues ²	850,000	1,890,000	100,000	100,000	100,000	
Operating Expenditures and Commitments	135,000	135,000	135,000	135,000	135,000	
Recommended Projects						
Caltrain Bike/Ped Undercrossing Design	-	-	-	-	500,000	500,000
El Camino Real/Ravenswood NB Right Turn Lane Design and Construction	200,000	1,150,000	-	-	-	1,350,000
Laurel Street/Ravenswood Signal Modification	-	-	195,000	-	-	195,000
Sand Hill Road Signal Interconnect ³	-	1,495,000	-	-	-	1,495,000
Sand Hill Road Signal Modification Project	-	-	-	250,000	-	250,000
Willow Road/VA Hospital/Durham Street Signal Modification ⁴	-	395,000.00	-	-	-	395,000
Total	200,000	3,040,000	195,000	250,000	500,000	4,185,000
Ending Fund Balance	1,999,090	714,090	484,090	199,090	(335,910)	

¹ The available fund balance in FY 2013-14 includes the \$1.2m from Stanford received in FY 2011-12.

² The projected Revenue of \$800,000 in FY 2013-14 is a C/CAG grant for the Willow Rd improvements project funded FY 2012-13.

³ This project is expected to be funded by the San Mateo County Transportation Authority, included in revenues in FY 2014-15.

⁴ The City will be reimbursed \$345,000 from the VA Hospital, included revenues in FY 2014-15

Library Bond Fund						
Available Balance	60,000	-	-	-	-	
Revenues	-	-	-	-	-	
Operating Expenditures and Commitments	-	-	-	-	-	
Recommended Projects						
Automated Library Return Area Renovation	60,000	-	-	-	-	60,000
Total	60,000	-	-	-	-	60,000
Ending Fund Balance	-	-	-	-	-	

Projects by Funding Source

Funding Source	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Water Fund - Capital						
Available Balance	4,085,000	2,049,000	2,691,000	3,101,000	459,000	
Revenues	800,000	800,000	800,000	800,000	800,000	
Operating Expenditures and Commitments	36,000	38,000	40,000	42,000	44,000	
Recommended Projects						
Automated Meter Reading	-	-	50,000	1,200,000	1,200,000	2,450,000
Emergency Water Supply Project	2,800,000	-	-	-	-	2,800,000
Urban Water Management Plan	-	70,000	-	-	-	70,000
Water Main Replacements	-	-	300,000	2,200,000	-	2,500,000
Water Rate Study	-	50,000	-	-	-	50,000
Total	2,800,000	120,000	350,000	3,400,000	1,200,000	7,870,000
Ending Fund Balance	2,049,000	2,691,000	3,101,000	459,000	15,000	

Comprehensive Planning Projects Fund*						
Available Balance	(930,000)	(1,930,000)	(2,930,000)	(3,930,000)	(4,930,000)	
Revenues	-	-	-	-	-	
Operating Expenditures and Commitments	-	-	-	-	-	
Recommended Projects						
General Plan Update (M-2 Plan)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Housing Element Implementation Programs-Ordinances and Policies	TBD	-	-	-	-	TBD
Total	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Ending Fund Balance	(1,930,000)	(2,930,000)	(3,930,000)	(4,930,000)	(5,930,000)	

*City Council currently determining funding mechanism for this fund.

FISCAL YEAR TOTALS	12,002,000	12,998,500	10,047,000	7,310,000	10,615,000	52,972,500
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A.3 Projects by Responsible Department

Responsible Department	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Public Works - Engineering/Environmental						
Alternative Transportation Social Marketing Program	-	60,000	-	-	-	60,000
Automated Library Return Area Renovation	120,000	-	-	-	-	120,000
Automated Meter Reading	-	-	50,000	1,200,000	1,200,000	2,450,000
Baby Pool Analysis/Preliminary Design	-	-	-	-	100,000	100,000
Burgess Pool Deck Repairs	-	135,000	-	-	-	135,000
Bedwell Bayfront Park Gas Collection System Repair	-	100,000	-	-	-	100,000
Bedwell Bayfront Park Leachate Collection System Replacement	100,000	900,000	-	-	-	1,000,000
Bike Sharing Program Cost Benefit Study	-	-	-	60,000	-	60,000
Chrysler Pump Station Improvements	-	350,000	-	-	-	350,000
City Car Sharing Program Study	-	-	-	-	50,000	50,000
Civic Center Sidewalk Replacement and Irrigation System Upgrades	-	-	-	400,000	-	400,000
Community Zero Waste Policy Draft	-	-	50,000	-	-	50,000
Corporation Yard Storage Cover	-	-	-	300,000	-	300,000
Installation of Electric Plug In Recharging Stations Cost Benefit Analysis and Plan		-	30,000	-	-	30,000
Downtown Parking Utility Underground	100,000	4,550,000	-	-	-	4,650,000
Emergency Water Supply Project	2,800,000	-	-	-	-	2,800,000
Energy Efficiency/Renewable Energy Program for Residential and Commercial Sector Master Plan	60,000	-	-	-	-	60,000
Facility Energy Retrofit	325,000	325,000	-	-	-	650,000
Heritage Tree Ordinance Program Evaluation	-	50,000	-	-	-	50,000
Housing Element Implementation Programs-Infrastructure Improvements	-	-	-	-	-	TBD
Jack Lyle Park Restrooms - Construction	-	40,000	200,000	-	-	240,000
Middlefield Road Storm Drainage Improvements	-	-	350,000	-	-	350,000
Parking Plaza 7 Renovations	-	-	-	-	200,000	200,000
Pope/Chaucer Bridge Replacement	100,000	-	-	-	-	100,000
Requirement for Pharmacy to Take back Pharmaceuticals Ordinance Draft	-	25,000	-	-	-	25,000
Sand Hill Road Pathway Repair	50,000	250,000	-	-	-	300,000
Sidewalk Master Plan Implementation	100,000	100,000	100,000	100,000	100,000	500,000
Sidewalk Repair Program	300,000	300,000	300,000	300,000	300,000	1,500,000
Storm Drain Improvements	110,000	110,000	115,000	115,000	120,000	570,000
Street Resurfacing	5,270,000	230,000	5,270,000	250,000	5,270,000	16,290,000

Projects by Responsible Department

Responsible Department	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Public Works - Engineering/Environmental Continued						
Streetlight Painting	-	75,000	-	-	-	75,000
Trash Capture Device Installation	-	-	60,000	-	-	60,000
Urban Water Management Plan	-	70,000	-	-	-	70,000
Water Main Replacements	-	-	300,000	2,200,000	-	2,500,000
Water Rate Study	-	50,000	-	-	-	50,000
Willow Oaks Dog Park Renovation	-	50,000	250,000	-	-	300,000
TOTAL	9,435,000	7,770,000	7,075,000	4,925,000	7,340,000	36,545,000

Public Works - Maintenance						
Administration Building Carpet Replacement	-	-	200,000	-	-	200,000
Arrilaga Recreation Center Light Replacement	-	-	32,000	-	-	32,000
Bedwell Bayfront Park Restroom Repair	-	-	95,000	-	-	95,000
Belle Haven Child Development Center Carpet Replacement	-	50,000	-	-	-	50,000
Belle Haven Youth Center Improvements	-	-	-	-	150,000	150,000
City Buildings (Minor)	300,000	300,000	300,000	300,000	325,000	1,525,000
Downtown Streetscape Improvement Project (Specific Plan)	-	80,000	115,000	165,000	110,000	470,000
El Camino Real Median and Side Trees Irrigation System Upgrade	-	-	85,000	-	-	85,000
Fire Plans and Equipment Replacement at Council Chambers, Onetta Harris Community Cntr and Library	-	-	-	-	60,000	60,000
Jack Lyle Park Sports Field Sod Replacement	-	80,000	-	-	-	80,000
La Entrada Baseball Field Renovation	-	-	-	170,000	-	170,000
Library Landscaping	50,000	300,000	-	-	-	350,000
Library Furniture Replacement	-	-	-	-	450,000	450,000
Main Library Interior Wall Fabric Replacement	-	-	150,000	-	-	150,000
Park Pathways Repairs	-	-	-	200,000	-	200,000
Menlo Children's Center Carpet Replacement	-	60,000	-	-	-	60,000
Park Improvements (Minor)	120,000	130,000	130,000	130,000	130,000	640,000
Retractable Lights Installation at Gymnasium and Gymnastics Cntrs	-	-	-	-	500,000	500,000
TOTAL	470,000	1,000,000	1,107,000	965,000	1,725,000	5,267,000

Projects by Responsible Department

Responsible Department	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Public Works - Transportation						
Alma/Ravenswood Pedestrian/Bike Study	-	60,000	-	-	-	60,000
Caltrain Pedestrian/Bike Undercrossing-Design	-	-	-	-	500,000	500,000
El Camino Real/Ravenswood NB Right Turn Lane	200,000	1,150,000	-	-	-	1,350,000
El Camino Real Lane Reconfiguration Alternatives Study	200,000	-	-	-	-	200,000
Florence/Marsh and Bay/Marsh Signal Modification	-	-	345,000	-	-	345,000
High Speed Rail Coordination	50,000	50,000	50,000	50,000	50,000	250,000
Laurel Street/Ravenswood Signal Modification	-	-	195,000	-	-	195,000
Middlefield Road at Ravenswood Avenue Intersection Reconfiguration Study	-	-	50,000	-	-	50,000
Middlefield Road at Willow Road Intersection Reconfiguration Study	-	-	-	50,000	-	50,000
Sand Hill Road Improvements (Addison-Wesley to I280)	-	-	-	TBD	-	TBD
Sand Hill Road Signal Interconnect	-	1,495,000	-	-	-	1,495,000
Sand Hill Road Signal Modification Project	-	-	-	250,000	-	250,000
Willow Road/VA Hospital/Durham Street Signal Modification	-	395,000	-	-	-	395,000
TOTAL	450,000	3,150,000	640,000	350,000	550,000	5,140,000

Community Development (Planning)						
General Plan Update (M-2 Plan)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Housing Element Implementation Programs-Ordinances and Policies	TBD	-	-	-	-	TBD
TOTAL	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000

Community Services						
Measure T Funds Evaluation/Project Ranking	-	-	125,000	-	-	125,000
Portable Concert Stage Trailer	-	52,500	-	-	-	52,500
TOTAL	-	52,500	125,000	-	-	177,500

Projects by Responsible Department

Responsible Department	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
Police Department						
Overnight Parking App	-	-	-	70,000	-	70,000
Radio Replacement	395,000	26,000	100,000	-	-	521,000
TOTAL	395,000	26,000	100,000	70,000	-	591,000
Library						
Improved Infrastructure for the Delivery of Electronic Library Services-Study	37,000	-	-	-	-	37,000
Library RFID Conversion	29,000	-	-	-	-	29,000
TOTAL	66,000	-	-	-	-	66,000
Management Information Systems Development						
City Website Upgrade	75,000	-	-	-	-	75,000
Information Technology Master Plan	111,000	-	-	-	-	111,000
Integrated ERP System	-	TBD	TBD	TBD	TBD	-
TOTAL	186,000	-	-	-	-	186,000
FISCAL YEAR TOTAL	12,002,000	12,998,500	10,047,000	7,310,000	10,615,000	52,972,500

Appendix B - Overview Schedule of Previously Funded Projects

**Public Works Department
Project Composite**

Project Name	2012												2013											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Administration Services																								
City Facilities Telephone System Upgrades	[FY 2012/13]												[FY 2012/13]											
Council Chambers Audio/Video	[FY 2012/13]												[FY 2012/13] TBD											
Community Development																								
Housing Element	[FY 2012/13]												[FY 2012/13]											
Modify Single Family Residential Zoning Standards and Review Process	[FY 2012/13] On-Hold												[FY 2012/13]											
Willow Business Area and M-2 Zoning District Area Work Program	[FY 2012/13]												[FY 2012/13]											
Community Services																								
Burgess Pool Pump Ladder	[FY 2012/13]												[FY 2012/13]											
Library																								
Automated Library Materials Return	[FY 2012/13]												[FY 2012/13]											
Police																								
Radio Infrastructure Replacement	[FY 2012/13]												[FY 2012/13]											
Engineering																								
Police/City Service Cntr - Belle Haven	[FY 2012/13]												[FY 2012/13] On-Hold											
Emergency Water Supply	[FY 2012/13]												[FY 2012/13]											
Beechwood School/Property Subdivision and Sale	[FY 2012/13]												[FY 2012/13]											
Storm Drain Fee Study	[FY 2012/13]												[FY 2012/13] On-Hold											
Sharon Heights Pump Station Design and Construction	[FY 2012/13]												[FY 2012/13]											
Middlefield Road Storm Drain	[FY 2012/13]												[FY 2012/13]											
Utility Undergrounding Study of City Parking Plazas	[FY 2012/13]												[FY 2012/13]											
Preliminary Design of Restroom Facilities at Jack Lyle Memorial Park and Willows Oaks Park	[FY 2012/13]												[FY 2012/13] On-Hold											
Santa Cruz Avenue Sidewalks Improvements Design and Construction	[FY 2012/13]												[FY 2012/13]											
Atherton Channel Flood Abatement	[FY 2012/13]												[FY 2012/13] TBD											
Highway 84 Carbon Offset Project	[FY 2012/13]												[FY 2012/13] Unfunded											
Bedwell Bayfront Park Gas Collection System improvements study and Conceptual Design	[FY 2012/13]												[FY 2012/13] On-Hold											
Street Resurfacing 2011-12	[FY 2012/13]												[FY 2012/13]											
Parking Plaza 7 Renovation Design and Construction	[FY 2012/13]												[FY 2012/13] On-Hold											
Energy Audit of City Administration Building	[FY 2012/13]												[FY 2012/13]											
Water Main Replacement Design and Construction Project 2012-13	[FY 2012/13]												[FY 2012/13]											
Water System Master Plan	[FY 2012/13]												[FY 2012/13] On-Hold											
Sustainable/Green Building Standards	[FY 2012/13]												[FY 2012/13]											
Street Resurfacing of Federal Aid Routes 2011-12	[FY 2012/13]												[FY 2012/13]											
Street Resurfacing Design 2012-13	[FY 2012/13]												[FY 2012/13]											
Bay Levee Design Project	[FY 2012/13]												[FY 2012/13] TBD											
Storm Drain Improvements 2012-13	[FY 2012/13]												[FY 2012/13]											
Chrysler Pump Station Improvements	[FY 2012/13]												[FY 2012/13]											
LED Streetlight Retrofits 2012-13	[FY 2012/13]												[FY 2012/13]											
Sidewalk Repair Program 2012-13	[FY 2012/13]												[FY 2012/13]											

Legend	[FY 2012/13]	[Design Phase]
	[FY 2011/12]	[FY 2010/11]
	[FY 2009/10]	[FY 2008/09]
	[FY 2007/08]	[FY 2006/07]

**Public Works Department
Project Composite**

Project Name	2012												2013											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Transportation																								
Study of Sand Hill Road (btw Addison-Wesley and I-280 including Bicycling)	<i>On-Hold</i>																							
Safe Routes to Hillview School Project Implementation																								
Santa Cruz Avenue Sidewalk Preliminary Design Phase																								
Residential Shuttle Service to the Menlo Park Caltrain Station Study													<i>On-Hold</i>											
Safe Routes to Encinal School Plan Implementation													<i>On-Hold</i>											
Middle Avenue Bike Lane Feasibility Study																								
Safe Route to Valparaiso Avenue Plan																								
High Speed Rail Coordination	<i>On going</i>																							
Linfield/Middlefield Crosswalk																								
Sand Hill Road/Branner Signal Mast Arm Construction																								
Willow Road Signal Interconnect																								
Oak Grove/Merrill Intersection Lighted Crosswalk																								
Safe Routes to Oak Knoll School Design																								
Alpine Road Bike Improvement Project																								
Willow Road Improvements at Newbridge and Bayfront Expressway																								
Sidewalk Master Plan Implementation																								
Maintenance																								
Reservoirs #1 and #2 Mixers																								
Reservoir Re-roofing																								
Hillview School Fields Renovation																								
Belle Haven Pool Boiler/Pumps Upgrades																								
Downtown Irrigation Replacement																								
Administration Building Emergency Generator																								
Water Conservations Upgrde for City Facilities																								
El Camino Tree Planting																								
Belle Haven Child Development Center Outdoor Play Space Remodel																								
Park Improvements (Minor) 2012-13																								
City Buildings (Minor) 2012-13																								
Police Parking Lot Security																								
Council Chambers Mics/Voting Equipment																								

Legend

 FY 2012/13	 Design Phase
 FY 2011/12	
 FY 2010/11	
 FY 2009/10	
 FY 2008/09	
 FY 2007/08	
 FY 2006/07	

Appendix C - Non-Funded Projects

C.1 Non-Funded Projects from Previously Approved Plans

City-wide Storm Drainage Study (2003)

Recommended Improvements

Projects that do not require new outfalls to San Francisquito Creek or Atherton Channel

<i>Location</i>	<i>Descriptions</i>	<i>Estimated Cost (2003)</i>
Magnolia Drive/Stanford Court	Flooding occurs in the vicinity of Stanford Court as a result of undersized lines downstream on Magnolia Drive. Upsizing 530 feet of line from 12-inch diameter to 24-inch diameter will improve drainage through an upstream system that has been improved	\$123,000
Spruce Avenue	Flooding occurs at Spruce Avenue. Storm system does not have an inlet at Spruce Avenue with the railroad acting as a barrier to surface flows. Improve requires 250 feet of 24-inch storm drain, and an inlet at Spruce Avenue	80,000
Middlefield Road	A parallel storm drain is proposed along Middlefield Road. The storm drain would connect to a recently constructed 48-inch diameter outfall into San Francisquito Creek. The parallel storm drain is needed to relieve flooding that requires road closures of Middlefield Road, Ravenswood Avenue, and Oak Grove Avenue	4,633,000
Euclid Avenue	A significant drainage area flows to Euclid Avenue with no collection system. It is likely that the flooding could disrupt traffic during a major storm event	288,000
Middle Avenue	Middle Avenue is susceptible to flooding due to undersized facilities to the Creek and upstream flooding that overflows into the drainage area. 1,620 feet of 24-inch diameter line is proposed. <i>Allows the removal of bubble-up storm drain catch basins. Provides backbone for draining Hobart Street, Cotton Street and Hermosa Way</i>	373,000
Oak Grove Avenue	The proposed line relieves flows received along Oak Grove Avenue and discharges to the proposed Middlefield Avenue parallel storm drain	1,699,000
Frontage 101, Menalto Ave to Laurel Ave and Santa Monica Avenue	Proposes 830 feet of 24-inch diameter line to provide backbone for storm drain to Menalto Avenue; and 2,510 feet of 15-inch storm drain to reduce flows at intersections along Menalto Avenue	945,000
Harvard & Cornell	Harvard & Cornell - Proposes addition of valley gutter to eliminate localized ponding	10,000
Bay Laurel Drive Outfall	Connecting drainage system	26,000
Olive Street Outfall	Connecting drainage system	536,000
Arbor Road Outfall	Connecting drainage system	1,524,000
El Camino Real Outfall	Connecting drainage system	1,976,000
Alma Street Outfall	Connecting drainage system	208,000
Middlefield Road Outfall	Connecting drainage system	1,270,000
Highway 101 Outfalls	Connecting drainage system	1,400,000
Euclid Avenue Outfall	Connecting drainage system	275,000

Projects that require new outfalls and increase peak flows to San Francisquito Creek or Atherton Channel Recommended Improvement

<i>Project</i>	<i>Descriptions</i>	<i>Estimated Cost (2003)</i>
Middle Avenue	Replace and upsize the storm drain line on Arbor Road from the outfall to about 500 feet upstream at a cost of about \$850,000. Replace and upsize the storm drain line on Arbor Road to Middle Avenue for a cost of about \$980,000 and extending the system to Middle Avenue and San Mateo Drive.	2,310,000
Overland Flow	Overflows from the System G system are to System I. There can be a "domino effect," with these overflows continuing to El Camino Real.	900,000
Overland Flow	Overflows from the System I system are to El Camino Real. Currently, a portion of Middle Avenue does not have a storm drain. A storm drain would be provided to collect flows to improve collection into the Priority 1 storm drain line. Lines on Valparaiso Avenue, Santa Cruz Avenue and Arbor Drive are proposed to collect flows and convey flows to the Priority 1 system, thereby reducing the potential for overtopping to the El Camino Real system.	4,458,000
Ponding throughout the City	Improvements to correct nuisance ponding issues and are required throughout the City. The improvements are numerous and are required.	10,211,000
Alto Lane/El Camino Real	All overflows from upstream systems will be toward El Camino Real. It is likely that ponding first occurs on Alto Lane and excess flows are released to a 30-inch storm drain line to the Alma System prior to road closure for typical storm events. A major storm even could result in the closure of El Camino Real.	5,800,000
San Francisquito Creek Joint Powers Authority Improvements		TBD
Atherton Channel Improvement		TBD

El Camino Real /Downtown Specific Plan (2012)**Recommended Improvements**

<i>Improve Pedestrian/Bicycle Amenities and Overall Street Character – Downtown and Station Area</i>		
<i>Location</i>	<i>Improvement</i>	<i>Cost</i>
Santa Cruz Avenue (University Drive to El Camino Real)	Permanent streetscape improvements, on-street parking modifications, widened sidewalks, curb and gutter, furnishings, trees and landscape; central plaza	TBD
Santa Cruz Avenue (El Camino Real to train station)	Streetscape improvements; new sidewalks and connections across railroad tracks and to Menlo Center Plaza, trees, curb and gutter, furnishings; civic plaza with new surface, furnishings	TBD
El Camino Real	Streetscape improvements; sidewalk widening, street crossings; sidewalk trees, furnishings, landscape, pedestrian and bicycle linkage across railroad tracks at Middle Avenue	TBD
Chestnut Street South	Permanent street conversion to paseo and marketplace; streetscape enhancement	TBD
Chestnut Street North (Santa Cruz Avenue to Oak Grove Avenue)	Permanent pocket park; enhance pathways and crosswalk connections to proposed parking garages; widened and enhance sidewalk - west side leading to pocket park	TBD
Crane Street North (Santa Cruz Avenue to alley)	Permanent pocket park; enhance pathways and crosswalk connections to proposed parking garages; widened and enhance sidewalk - east side leading to pocket park	TBD
Rear of Santa Cruz Avenue Buildings (south side from University Drive to Doyle Street)	Pedestrian linkage; new sidewalk, furnishings, landscaping, modified parking	TBD
Oak Grove (Laurel Street to University Drive)	Street restriping to add bike lane and remove parking lane (north side)	TBD
Alma Street (Oak Grove Avenue to Ravenswood Avenue)	Streetscape improvements; wider sidewalks and connection to train station, trees, curb and gutter, furnishings - east side; modified parking and travel lanes small plaza at Civic Center	TBD
Future Class II/Minimum Class III	University Drive north of Santa Cruz Avenue to Valparaiso Avenue and south of Menlo Avenue to Middle Avenue	TBD
Bicycle Route	Crane street between Valparaiso Avenue and Menlo Avenue	TBD
Bicycle Route	Garwood Way from Encinal Avenue to Oak grove Avenue	TBD
Bicycle Route	Alma Street between Oak Grove Avenue and Ravenswood Avenue	TBD
<i>Improve and “Leverage” Existing Downtown Public Parking Plazas</i>		
Parking Plazas 1, 2 and 3	Two Parking Garage	TBD
Parking Plazas 2 and 3	Pocket Park, new surface, amenities, furnishings, landscape	TBD
Parking Plazas 5	Flex space improvements; new surface, amenities, furnishings, landscape	TBD
Parking Plazas 6	Flex space improvements; new surface, amenities, furnishings, landscape	TBD
Parking Plaza 5 & 6	Enhance surface treatments	TBD
<i>Improve Pedestrian/Bicycle Amenities and Overall Street Character – El Camino Real – and East/West Connectivity</i>		
Railroad tracks at train station	Bike/pedestrian crossing at railroad tracks connecting Santa Cruz Avenue with Alma Street, depending on the final configuration for high speed rail; amenities, landscape	TBD
El Camino Real (north of Oak Grove Avenue and south of Menlo Avenue/Ravenswood Avenue)	Widened sidewalks; street trees; median improvements; furnishings	TBD

Railroad tracks at Middle Avenue (Stanford property)	Bike/pedestrian at railroad tracks connecting El Camino Real with Alma Street, depending on the final configuration for high speed rail; amenities, landscape	TBD
El Camino Real/Stanford Property (at Middle Avenue)	Publicly accessible open space; amenities, landscape	TBD
Bicycle Lanes	El Camino Real north of Encinal Avenue	TBD
Future Class II/Minimum Class III	El Camino Real south of Encinal Avenue to Palo Alto border	TBD
Future Class II/Minimum Class III	Menlo Avenue between University Drive and El Camino Real with additional striping modifications near the EL Camino Real and Menlo Avenue intersection	TBD
Future Class II/Minimum Class III	Westbound Ravenswood Avenue between the railroad tracks and El Camino Real	TBD
Future Class II/Minimum Class III	Middle Avenue between University Drive and El Camino Real with additional striping modifications at the El Camino Real and Middle Avenue intersection	TBD
<i>Improve Parking and Signage</i>		
Sharrows - Signage	Sharrows, street configuration and safety to supplement pavement markings on Class III facilities. Sharrows are painted street markings that indicate where bicyclist should ride to avoid the "door zone" next to parked vehicles	TBD
Bicycle Parking	New major bicycle parking facilities in the proposed parking garages	TBD
Bicycle Racks	New bicycle racks in the plan area in new pocket parks, on the Chestnut Paseo, and along Santa Cruz Avenue	TBD
Wayfinding Signage	Bicycle way-finding signage in any future downtown signage plan	TBD

Transportation Impact Fee Study (2009)

Recommended Improvements

<i>Bicycle Improvement Projects</i>			
<i>Roadway</i>	<i>From</i>	<i>To</i>	<i>Estimated Cost</i>
Bay Road	Berkeley Avenue	Willow Road	\$39,900
Middlefield	Willow Road	Palo Alto City Limits	7,000
Sand Hill Road eastbound	Westside of I-280 interchange	Eastside of I-280 interchange	32,900
Independence Connector	Constitution Drive	Marsh Road	120,000
Willow Road Connector	Hamilton	Bayfront Expy.	204,000
Marsh Road	Bay Road	Bayfront Expy.	51,100
Willow Road	Durham Street	Newbridge	37,100
El Camino Real	Encinal	Palo Alto City Limits	12,700
Bayfront Expy. Bicycle/Pedestrian Undercrossing	Eastside Bayfront Expy. at Willow	Westside Bayfront Expy. At Willow	911,629
Caltrain Bicycle/Pedestrian Undercrossing	Eastside Caltrain tracks south of Ravenswood	Westside Caltrain tracks south of Ravenswood	3,646,518
<i>Sidewalk Installation Projects</i>			
<i>Roadway</i>	<i>Limits</i>	<i>Estimated Cost</i>	
Willow Road	Bayfront Expressway to Hamilton Avenue	\$128,250	
Hamilton Avenue/Court	Willow Road to end	280,500	
O'Brien Drive	Willow Road to University Avenue	2,629,500	
Bay Road	Willow Road to Van Buren Avenue	157,500	
El Camino Real	Valparaiso Avenue to 500 feet north	75,000	
Santa Cruz Avenue	Johnson to Avy Avenue	1,290,000	
Santa Cruz Avenue	Avy Avenue to City Limits	630,000	
<i>Intersection Improvements</i>			
<i>Intersection</i>			<i>Estimated Cost</i>
University Drive & Santa Cruz Avenue			\$600,000
Laurel Street & Ravenswood Avenue			2,500,000
Middlefield Road & Ravenswood Avenue			1,520,000
Middlefield Road & Willow Road			1,700,000
Bohannon/Florence & Marsh Road			820,000
El Camino Real & Valparaiso/Glenwood			610,000
El Camino Real & Ravenswood Avenue			6,000,000
El Camino Real & Middle Avenue			1,820,000
Newbridge Street & Willow Road			2,100,000
Bayfront Expressway & Willow Road			470,000
Bayfront Expressway & University Avenue			2,500,000
Bayfront Expressway & Chrysler Drive			630,000
Bayfront Expressway & Marsh Road			690,000

Water System Evaluation Report (2006)
Recommended Improvements

<i>Description</i>	<i>Estimated Cost</i>
Reservoir and pump Station in Zone 1,4 or 5	TBD
Reservoir and pump Station in Zone 2	TBD
New pipeline supplying water from Zone 3 to lower elevation zones	TBD
New pipeline & pump station supplying water from lower elevation zones to Zone 3	TBD
New booster pump at Avy Ave in Zone 3 (CWC interconnect)	TBD
New parallel pipe from El Camino Real (B4) connections to Ivy Drive (B2, B3) connection to improve fire flow/pressure	TBD
New meter & pump station along Sharon Park Drive	TBD
Different inlet/outlet structures and pipelines at Sand Hill Reservoirs	TBD
Combination of items 3 or 4 and new reservoir at Sand Hill Road	TBD

Comprehensive Bicycle Development Plan (2005)

Recommended Bikeway System Improvements

<i>Name</i>	<i>Start</i>	<i>End</i>	<i>Estimated Cost (2005)</i>
<i>SHORT-TERM PROJECTS</i>			
Class II Bike Lanes			
O'Brien Drive	Willow	University	24,900
Class III Bike Routes			
Altschul Avenue	Avy	Sharon Road	800
Avy Avenue	Orange	Monte Rosa	2,100
Coleman Avenue	Willow	Ringwood	3,300
Hamilton Avenue	Market	Willow Road	4,250
Market Place	Highway 101 Bike/Ped Bridge	Hamilton	500
Monte Rosa Drive	Avy	Sand Hill Road	2,750
Oak Grove Avenue	Middlefield	University	9,000
Ringwood Avenue	Bay	Highway 101 Bike/Ped Bridge	1,250
San Mateo Drive	San Francisquito Creek	Wallea	1,400
San Mateo Drive	Wallea	Valparaiso	1,650
Santa Monica Avenue	Seminary	Coleman	750
Seminary Drive	Santa Monica	Middlefield	3,100
Sharon Road	Altschul	Sharon Park Drive	2,000
Sharon Park Drive	Sharon Road	Sand Hill Road	600
Wallea Drive	San Mateo Drive	San Mateo Drive	2,050
Woodland Avenue	Middlefield	Euclid	6,350
<i>Other Bicycle Projects</i>			
Wayfinding Signage Program	N/A	N/A	10,000
Short-Term Project Costs			91,000
<i>MID-TERM PROJECTS</i>			
Class II Bike Lanes			
El Camino	Watkins	Encinal	9,600
Middlefield	Willow	Palo Alto city limit	3,000
Class III Bike Routes			
Arbor	College	Bay Laurel	550
Bay Laurel Drive	Arbor	San Mateo	800
Berkeley Avenue	Coleman	Bay	2,150
College Avenue	University	Arbor	1,000
Constitution Drive	Chilco	Independence	3,350
Encinal Avenue	Garwood	EL Camino Real	1,700
Menlo Avenue	University	El Camino Real	3,500
Merrill Street	Ravenswood	Oak Grove	950
Middle Avenue	Olive	El Camino Real	10,800
Oak Avenue	Olive	Sand Hill	3,250
Oakdell Drive	Santa Cruz	Olive	3,100
Olive Street	Oak	Oakdell	800
Ravenswood Avenue	El Camino Real	Noel	1,800
Santa Cruz Avenue	Orange Avenue	Sand Hill	4,300
University Drive	Valparaiso	College	4,000
Mid-Term Project Costs			85,850

<i>LONG-TERM PROJECTS</i>			
Class I Bike Lanes			
Independence Connector	Constitution Drive	Marsh Road	55,000
Willow Road Connector	Hamilton	Bayfront Expresswy	93,500
Class II Bike Lanes			
Marsh Road	Bay Road	Bayfront Expressway	21,900
Willow Road	Durham	Newbridge	15,900
Class III Bike Routes			
El Camino Real	Encinal	Palo Alto city limit	12,700
Other Bicycle Projects			
Bayfront Expressway Bicycle/Pedestrian Undercrossing	East side Bayfront Expressway at Willow	West side Bayfront Expressway at Willow	750,000
Caltrain Bicycle/Pedestrian Undercrossing	East side Caltrain tracks south of Ravenswood	West side of Caltrain tracks south of Ravenswood	3,000,000
Long-Term Project Costs			3,949,000
TOTAL SYSTEM COST			4,125,850

C.2 Other Non-Funded Project Requests

Streets & Sidewalks

Marsh Road Section Median Islands Landscaping

The project will upgrade the landscaping and irrigation system in the median island on Marsh Road between Bohannon Drive and Scott Drive. Marsh Road is a major entrance to the City and the existing landscaping needs to be rejuvenated to fit in with the new landscaping along the commercial properties adjacent to the median islands.

Estimated Cost: \$35,000

Source: Staff

Streetscape – Haven Avenue

This project will involve conceptual design, engineering and construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along Haven Avenue.

Estimated Cost: \$ 550,000

Source: Staff

Streetscape – O'Brien Drive

This project will involve construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along O'Brien Drive. A public outreach process will be conducted to identify needed improvements. Although this project was funded with RDA funds (\$25,000) in FY 2010-11, (\$100,000) in FY 2011-12 and additional funding (\$400,000) was planned for FY 2013-14, work in this project did not start prior to the dissolution of the RDA.

Estimated Cost: \$ 525,000

Source: Staff

Streetscape – Overall RDA Resurfacing and Improvements

This project will involve conceptual design, engineering and construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along various streets throughout the Redevelopment Area.

Estimated Cost: \$ 2,000,000

Source: Staff

Streetscape – Pierce Road

This project will involve conceptual design, engineering and construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along Pierce Road.

Estimated Cost: \$ 500,000

Source: Staff

Streetscape – Willow Road

This project will involve conceptual design, engineering and construction of street resurfacing work, and will potentially involve landscaping, lighting or other improvements along Willow Road.

Estimated Cost: \$ 330,000

Source: Staff

City Buildings

Belle Haven Pool House Building Remodel

This project will consist of remodeling the men's and women's shower, bathroom and check-in area. The work will also include replacing plumbing fixtures and remodeling the front façade of the Pool House and relandscaping the front.

Estimated Cost: \$ 400,000

Source: Staff

Traffic & Transportation

Bay Road Bike Lane Improvements

This project would study the feasibility and implementation of moving the existing bike lane away from the trees on the Atherton side of Bay Road between Ringwood Avenue and Marsh Road. Staff has determined that the roadway width is too narrow to make the requested improvements for this project.

Estimated Cost: TBD

Source: Bicycle Commission

Bay Trail Extension

This project would provide the connection between existing portions of the Bay Trail located near the salt ponds and the Don Edwards San Francisco Bay National Wildlife Refuge and existing trails in East Palo Alto. Grant funding would be needed to match City or other funds. Improvements would include work to provide a crossing over San Francisco Public Utilities Commission (SFPUC) lands and railroad right of way.

Estimated Cost: \$1-2 million

Source: City Council

Bike Safety Event

This project would use the Street Smartz public education safety campaign program along with Safe Moves safety education classes to coordinate a bicycle and walking-to-school safety event. This project would work in conjunction with the Safe Routes to School programs for Encinal, Laurel, and Oak Knoll Elementary Schools.

Estimated Cost: \$18,000

Source: Bicycle Commission

Downtown Parking Structures - A Feasibility Study

This project will conduct a cost, site, and circulation feasibility study of installing one or more parking structures on City parking plazas 1, 2, or 3.

Estimated Cost: \$75,000

Source: Transportation Commission

Dumbarton Transit Station

Funding will be used to add amenities to the planned transit station. The City Council has indicated a preference for the transit station location on the Southwest corner of Willow Road and Hamilton Avenue. Funding is contingent on the expansion of transit systems serving the area and may consist of a new rail station or bus terminal.

Estimated Cost: \$1,000,000

Source: Staff

Highway 84/Willow Bike/Ped Underpass Connections

This project would involve using the existing, but closed, tunnel beneath Highway 84 at Willow Road for a bicycle/pedestrian undercrossing as described in the Menlo Park Comprehensive Bicycle Master Plan.

Estimated Cost: \$ 900,000

Source: Staff

Installation of Pedestrian Audible Signal on El Camino Real at Santa Cruz Avenue

This project will install a pedestrian audible signal on El Camino Real at Santa Cruz Avenue. (Caltrans will be upgrading signals along El Camino Real over the next year; this project could be considered at a later date as part of that project.)

Estimated Cost: \$20,000

Source: Transportation Commission

Newbridge Street/Willow Road Traffic Circulation Improvements

This project will evaluate the intersection of Newbridge Street and Willow Road for proposed improvements for better traffic circulation at the intersection.

Estimated Cost: \$ 100,000

Source: Staff

Shuttle Expansion Study

This study is to identify how the City shuttle services may be expanded to meet the needs and desires of the residents and businesses of Menlo Park. This study would not include specific school bus routes.

Estimated Cost: \$125,000

Source: Transportation Commission

Study of Ordinance to Require Bike Parking in City Events

This project would investigate the potential to create an ordinance requiring bicycle parking facilities at all outdoor city events (such as block parties, art/wine festivals, 4th of July events, music in the park series, etc.). The city policy would provide bike parking facilities and publicize this option to participants. Outside groups using city or public facilities for public events (e.g. Chamber of Commerce) would also be required to provide these same services. The city ordinance shall have some means of recognizing or rewarding (by city certificate or resolution) those events which provide exceptional bicycle parking service.

Estimated Cost: \$15,000

Source: Bicycle Commission

Study of Possible Improvements to Menlo Park's Free Shuttle Service

This is a project to review the shuttle service and what incremental improvements and expansion of scope might be possible and appropriate.

Estimated Cost: \$50,000

Source: Transportation Commission

Study – Shuttle Bus Expansion for Student-School-Busing Use

This is a study to evaluate and analyze the use of City shuttle buses to pick up and drop off students at their schools, thereby reducing vehicular traffic throughout the City and at school sites in particular.

This could be subject to other regulations because of school bus requirements that may not allow City shuttle buses to be used for that purpose.

Estimated Cost: \$95,000

Source: Transportation Commission

Transportation Demand Management Ordinance Study

This study would analyze the cost/benefit of implementing a Transportation Demand Management Ordinance that applies to all new development. This will be included as part of the General Plan update.

Estimated Cost: \$37,000

Source: Bicycle Commission

Wayfinding Signage Phase II

The first phase of the wayfinding bicycle signage in the Willows neighborhood was completed in 2009. The signs, attached to pre-existing sign posts, point to destinations such as the pedestrian bridge to Palo Alto, downtown, and Burgess Park. This is the next phase to this project as indicated in the bicycle development plan. This will include another neighborhood, an east/west cross-city route, and/or routes to schools.

Estimated Cost: \$15,000

Source: Bicycle Commission

Willow Oaks Park Path Realignment

This project would study the entrance to Willow Oaks Park at Elm Street to add a bike path adjacent to the driveway to East Palo Alto High School.

Estimated Cost: \$18,000

Source: Bicycle Commission

Willow Road Bike Lane Study

This project would study the area on Willow Road between O'Keefe and Bay Road to assess what would be needed to install bike lanes in both directions. (The 101/ Willow Road interchange is currently in the environmental review stage.)

Estimated Cost: \$70,000

Source: Bicycle Commission

Environment

Canopy Tree-Planting and Education Project

Under contract with the City, Canopy, a local non-profit organization, would recruit and train volunteers to plant up to 100 trees along streets and in parks. Planting locations and trees will be provided by the City. Canopy will also conduct a public education program about urban forestry, including tree steward workshops, presentations to neighborhood groups, a tree walk, and printed and website information. Canopy will also advise the City on reforestation grant opportunities. Canopy has carried out similar programs with the cities of Palo Alto and East Palo Alto (www.canopy.org). The project was recommended by the Environmental Quality Commission again for FY 2011/12, but was not included in the projects listed for that year due to the volume of projects currently listed and the labor intensive nature of this project.

Estimated Cost: \$55,000

Source: Environmental Quality Commission & Green Ribbon Citizens Committee

Energy Upgrades of Home Remodels – Pilot Program

This pilot program would provide free comprehensive home energy audits up to \$500 in energy rebates to 100 Menlo Park residents who are significantly remodeling their homes. The program targets homeowners who are already thinking of home improvements and may be more inclined to make significant energy upgrades also. The goal is to reduce greenhouse gas emissions through residential energy conservation. This project is a high ranking measure in the Climate Action Plan.

Estimated Cost: \$110,000

Source: Staff

Plan to Encourage Local or Organic Food Production and Purchase

This project will develop an education and/or social marketing program to promote locally grown and or organic food production and promote community gardens, school gardens and farmer's markets. This program can help reduce emissions from transporting refrigerating and packaging food hauled from long distances (the average fresh food travel 1,500 miles for use in California homes). Staff will consider an 'Eat Local Campaign' similar to Portland, Oregon program that promotes eating foods grown within a specific mile radius. This is part of the Climate Action Plan's five year strategy approved by Council in July 2011.

Estimated Cost: \$50,000

Source: Environmental Quality Commission

Suburban Park Streetlight Conversion

Take streetlights in the Suburban Park area off the high-voltage PG&E system and convert to low-voltage parallel-wiring system.

Estimated Cost: \$100,000

Source: Staff

Water System

None.

Parks & Recreation

Belle Haven Pool House Remodel

The project consists of redesigning the interior showers, locker and lobby areas and refinishing the floors and walls. The Belle Haven Pool House shower, locker room and lobby are over 40 years old. Most of the equipment is original and staff has had to retrofit the showers due to the shower equipment has been discontinued.

Estimated Cost: \$500,000

Source: Staff

Burgess Park Irrigation Well Evaluation

The project consists of hiring a consultant to evaluate whether building an irrigation well for Burgess Park would be cost effective on the long term based upon the continued increase in water rates.

Estimated Cost: \$40,000

Source: Staff

Burgess Pool Locker Room Expansion Design

Since this project was suggested in 2010 the locker rooms at the pool have undergone renovation that allows accommodation of more people at one time. Additionally, locker rooms and changing rooms that have been added to the new Gymnastics Center, easily accessible and adjacent to the Pool, negate the need for a more expensive renovation project of the pool locker rooms at this time. Staff recommends this project be removed from the CIP.

Estimated Cost: \$250,000

Source: Council and Parks & Recreation Commission

Flood County Park

This project would potentially involve the City obtaining a joint use agreement to improve and maintain sports fields at Flood Park, installing playing field improvements and operating it as a City park in order to increase playing field availability.

Estimated Cost: TBD

Source: City Council

Willow Oaks Park Restrooms

This project would involve the neighboring community in developing a conceptual design, then constructing restrooms at Willow Oaks Park.

Estimated Cost: \$240,000

Source: Parks and Recreation Commission

Comprehensive Planning Projects & Studies

CEQA and FIA Guidelines

This project involves the adoption of guidelines for the City's implementation of the California Environmental Quality Act (CEQA) and the City's preparation of Fiscal Impact Analysis (FIA). The project would involve an update of the City's Transportation Impact Analysis (TIA) Guidelines while maintaining consistency with the current General Plan policies regarding the level of service (LOS) at intersections while encouraging alternative modes of transportation.

Estimated Cost: \$45,000

Source: City Council

Comprehensive Zoning Ordinance Update

The last comprehensive update of the Zoning Ordinance occurred in 1967. Over the last 45 years, there have been 103 distinct amendments. The Zoning Ordinance is not user friendly and includes many inconsistencies and ambiguities which make it challenging for staff, let alone the public to use. An update of the Zoning Ordinance would be a key tool for implementing the vision, goals and policies of an updated General Plan. An update of the single-family residential zoning standards and review process would be included in this project.

Estimated Cost: \$1,500,000

Source: Staff

Single Family Residential Design Guidelines

This project would involve the creation of residential single-family zoning guidelines to provide a method for encouraging high quality design in new and expanded residences.

Estimated Cost: TBD

Source: Planning Commission

Single-Family Residential Zoning Ordinance Amendment

This project would involve changes to residential single-family zoning requirements to create a more predictable and expeditious process for the construction of new and substantially expanded two-stories residences on substandard lots. The changes to the Zoning Ordinance would likely involve additional development requirements in lieu of the discretionary use permit process.

Estimated Cost: TBD

Source: Planning Commission

Stormwater**Atherton Channel Flood Abatement Construction**

This project will improve the drainage channel conditions in order to prevent systematic flooding from Atherton Channel that affects businesses along Haven Avenue. The design portion of this project was partially funded (\$200,000) in FY 2010-11 and (\$300,000) in FY 2011-12.

Estimated Cost: \$2,000,000

Source: Staff

Other/Miscellaneous**Belle Haven Branch Library Feasibility Study**

Improving library services to Belle Haven is one of the Library's Commission main Work Plan objectives. The Commission has received consistent community feedback over the last two years about the need for more library services in Belle Haven. The addition of Facebook to the Belle Haven area further indicates that a feasibility study is necessary before the City can move forward with improving library services in the Belle Haven area. This project is consistent with the Library's Commission's Work Plan objectives, as well as with the City's priority on economic development.

Estimated Cost: \$95,000

Source: Library Commission

Bicycle Parking Ordinance Feasibility Study

This project would investigate the potential to create an ordinance requiring bicycle parking facilities for all new development projects. The study would review similar ordinances from agencies in the Bay Area, assess the impacts to developers, and recommend an appropriate bicycle parking rate per 1000 square foot of new development. This project will be considered with the General Plan update and the M-2 Area Plan.

Estimated Cost: \$70,000

Source: Bicycle Commission

City Entry Signage on Willow and Marsh Roads

These arterials are the two primary gateways into Menlo Park from the East Bay. Providing “Welcome to Menlo – Habitat for Innovation” signage identifies the entry point our City, positions the City as a friendly place to be, and furthers the City’s brand as a desirable place to live, work and play.

Estimated Cost: \$200,000

Source: Staff

City Gateway Signage

The project will include installing gateway signage at four locations entering Menlo Park. The proposed locations are Sand Hill Road, Bayfront Expressway, and northbound and southbound El Camino Real. The proposed signage would be similar in style to the sign at Laurel Street and Burgess Drive and would include uplights.

Estimated Cost: \$250,000

Source: City Council

Dark Fiber Installation Pilot Project

Optical fiber is the preferred broadband access medium for companies seeking lab and office space in Silicon Valley. Menlo Business Park and Willow Business Park (soon to be called Menlo Science & Technology Center) already have limited deployment of this highly sought after capability. These funds will enable the City to initiate a planning effort to determine how the existing fiber network can be extended further in the City’s industrial sub-areas. Although funded in FY 2011-12, work on this project did not start prior to the dissolution of the RDA.

Estimated Cost: \$50,000

Source: Staff

Haven Avenue Security Lighting

The project consists of installing additional street lights along Haven Avenue to improve visibility and security for business along Haven Avenue. Although funded in FY 2011-12, work on this project did not start prior to the dissolution of the RDA.

Estimated Cost: \$50,000

Source: Staff

Kelly Park Sound Wall

The project would install a sound wall approximately 1,000 feet long between Highway 101 and the sports field at Kelly Park. Design of the project would determine the appropriate height, materials, and final location of the sound wall.

Estimated Construction Cost: \$1,300,000

Estimated Design Cost: \$130,000

Source: Staff

Library Website Access Improvement

Library users expect to access information quickly, easily and accurately. The current library website provides very limited access to program information and electronic resources. A more graphical, dynamic website would engage all segments of the community and would improve access to non-native English speakers, children and the elderly. It is essential to the Library's mission to create a web portal that more effectively promotes library services and resources. Project would cover start-up costs for a consultant to design and implement a new web portal. Library staff will continue the maintenance of the site as part of regular library outreach to the community. Project was funded in the 2008-09 adopted budget but was deferred via mid-year budget adjustments.

Estimated Cost: \$6,500

Source: Staff

Parking Plaza 3 Renovation Design

This project involves the redesign of Parking Plaza 3 to include safer vehicular access, improved lighting, improved stormwater treatment and rehabilitation of the existing asphalt. This project is part of the standard cycle of parking plaza renovations. This project will be coordinated with the Downtown Specific Plan prior to any improvements to the Parking Plaza.

Estimated Cost: \$200,000

Source: Staff

Parking Management Plan

The project will evaluate parking impacts of the Chestnut Paseo and Market Place. This project will establish an advisory task force for downtown parking issues comprised of one council member, one transportation commission member chamber of commerce, business owner and a property owner.

Estimated Cost: TBD

Source: Council

Parking Plaza 8 Renovation

This project consists of design of needed improvements at Parking Plaza 8 including landscaping, lighting, storm drainage and asphalt pavement rehabilitation. Work will be coordinated with Downtown Parking Utility Underground Project.

Estimated Cost: \$ 250,000

Source: Staff

**Appendix D - Descriptions of Projects Proposed for FY 2014/15
through FY 2017/18**

Descriptions of Projects Proposed for FY 2014/15 through FY 2017/18

Streets and Sidewalks

Streetlight Painting Project	2014-15	This recurring project involves repainting streetlight poles and arms to preserve their appearance. Streetlight painting was last performed during FY 2008-09.
Civic Center Sidewalk Replacement and Irrigation System Upgrades	2016-17	<p>Many areas of the Civic Center sidewalk network have been damaged by tree roots and vehicular traffic, resulting in extensive cracking and uplifts; all of which create tripping hazards to the pedestrians that use the park daily. The proposed project would replace the sidewalk network north of Burgess Field, between the Recreation Center, Administration Building, Council Chambers and Library. Sidewalks would be replaced using thicker paving sections with reinforcing bars where necessary.</p> <p>The existing irrigation around the Civic Center is a patch work due to numerous building replacement/remodel projects have cut into the existing system. This project will upgrade the irrigation system and reduce the number of controllers. The new controllers will be connected to the City's weather station making it more water efficient.</p>

City Buildings

Menlo Children's Center Carpet Replacement	2014-15	The project will replace the carpet of the Menlo Children's Center. Due to the extensive use of the facility and the wear and tear of the facility, the carpets will need to be replaced. The existing carpets were installed when the building was remodeled in 2006.
Belle Haven Child Development Center Carpet Replacement	2014-15	The project consists of replacing the floor, ceiling, cabinets and repainting the interior of the Belle Haven Youth Center. The existing interior is getting old and tired and worn out.
Main Library Interior Wall Fabric Replacement	2015-16	The project will replace the interior wall fabric of the main library. The interior wall finishes of the Library are starting to get worn and the seams are beginning to separate. This was installed in 1991.
Administration Building Carpet Replacement	2015-16	This project will replace the carpet of the administration building. The carpets were installed as part of the administration building remodel in 1998. Areas of the carpet are showing wear and have permanent stains.

Descriptions of Projects Proposed for FY 2014/15 through FY 2017/18

Arrillaga Recreation Center Light Replacement Project	2015-16	The existing lights at the Recreation Center have been discontinued and have a five year warranty. Some of the lights have already gone out and the manufacturer is having to retrofit lights in order to replace the ones that are going out. The project will replace the lights with a more common light that can be easier maintained and still be energy efficient.
Belle Haven Youth Center Improvements	2017-18	The project consists of replacing the floor, ceiling, cabinets and repainting the interior of the Belle Haven Youth Center. The existing interior has worn out.
Retractable Lights Installation at Gymnasium and gymnastics	2017-18	The replacement process for the numerous lights at the Arrillaga Family Gym and Arrillaga Family Gymnastics Center poses a concern for the long-term maintenance of the facility due to the high replacement costs and the repairs potential impact to programs. Installing retractable lights in both facilities will allow staff to maintain the facility in the most efficient manner, keep repair costs low, and minimize or eliminate time needed to close the facility.
Library Furniture Replacement	2017-18	The existing furniture in the Library is over 20 years old. The chairs and tables need consistent repairs due the heavy use of the Library. Also, the existing furniture fabric is difficult to clean and remove odors. The project will replace furniture that will make it easier to maintain.
Fire Plans and Equipment Replacement at Council Chambers, Onetta Harris Community Center and Library	2017-18	The project consists of replacing the fire panels, alarms, strobe lights, pull alarms and associated equipment in the Council Chambers, Library and Onetta Harris Community Center. The existing systems are becoming outdated and starting to trigger false alarms.

Traffic and Transportation

Alma Street/Ravenswood Avenue Pedestrian/Bike Study	2014-15	This project will evaluate alternative improvements to improve pedestrian and bicycle circulation at Alma Street and Ravenswood Avenue.
Sand Hill Road Signal Interconnect	2014-15	This project will comprise of installing either wireless or wired interconnect along the traffic signals on Sand Hill Road between Santa Cruz Avenue and Addison Wesley to establish communication and adaptive coordination between these signals for more efficient traffic flow. Funding for this project will be reimbursed to the City by San Mateo County Transportation Authority

Descriptions of Projects Proposed for FY 2014/15 through FY 2017/18

Willow Road/VA Hospital/Durham Street Signal Modification	2014-15	This project will upgrade the traffic signal and pedestrian signal equipment that needs upgrading to ADA standards. Separate left turn phasing at the intersection would provide safety for pedestrians that cross Willow Road since cars turning are not yielding to pedestrians in the crosswalk.
Florence/Marsh and Bay/Marsh Signal Modification	2015-16	This project will improve the level of service and pedestrian safety at intersections and upgrade non-standard traffic signal equipment to comply with MUTCD standards.
Laurel/Ravenswood Signal Modification	2015-16	This project will enhance traffic safety and upgrade non-standard traffic signal equipment to comply with the MUTCD standards.
Middlefield Road at Ravenswood Avenue Intersection Reconfiguration Study	2015-16	This project will consist of a feasibility study to reconfigure the intersection of Middlefield Road at Ravenswood Avenue to remove the southwest pork-chop island and modify the free eastbound right turn lane and to open the recently constructed Menlo Atherton High School driveway for traffic. These improvements could potentially facilitate bicycle safety through the intersection and relieve traffic congestion at the intersection of Middlefield Road with Ringwood Avenue. Funding was identified for this study as mitigation for the 1300 El Camino Real Development if it proceeds forward, otherwise Measure A funds would be utilized.
Sand Hill Road Signal Modification Project	2016-17	This project will upgrade the non-standard traffic and pedestrian signal equipment at Sand Hill/Saga Lane and Sand Hill/Sharon Park Drive to comply with MUTCD standard.
Middlefield Road at Willow Road Intersection Reconfiguration Study	2016-17	This project will consist of a feasibility study of reconfiguring the intersection of Middlefield Road at Willow Road to remove the southeast corner and northeast corner pork-chop islands. The improvements could potentially improve bicycle and pedestrian safety at the intersection.
Sand Hill Road Improvements (Addison/Wesley to I280)	2016-17	This project will implement traffic improvements that will be approved in conjunction with the Sand Hill Road between Addison/Wesley and I-280 Traffic Study.
Caltrain Bike/Pedestrian Undercrossing	2017-18	This project will design bike and pedestrian undercrossing envisioned under the Caltrain tracks between Ravenswood Avenue and Cambridge Avenue. A study and conceptual designs for an undercrossing were completed as part of the Caltrain Bike/Pedestrian project approved in FY 2007/08. Completion of the planning phase was suspended pending completion of the El Camino Real/Downtown Specific Plan and the High Speed Rail preliminary design.

Descriptions of Projects Proposed for FY 2014/15 through FY 2017/18

Environment

Alternative Transportation Social Marketing Program	2014-15	This project was identified in the Climate Action Plan's five year strategy approved by Council in July 2011. This project would develop a social marketing plan and program to alter behavior and perceptions about alternative transportation in Menlo Park. Social marketing is used to uncover community barriers and uses targeted messaging and incentive programs to alter perceptions about walking, biking, or taking public transit.
Requirement for Pharmacies to Take Back Pharmaceuticals/Draft Ordinance	2014-15	The community has very limited options for disposing pharmaceuticals. One drop box location is located in Menlo Park that the City maintains with a contractor. A required take back program would increase disposal options for residents and avoid potentially disposing of these chemical in a landfill or sewer system. Menlo Park could model an ordinance after Alameda County that has adopted an ordinance that requires pharmacies to take back pharmaceuticals. This project would include drafting an ordinance for city council to consider adopting and the community engagement involved in preparing the ordinance for adoption.
Heritage Tree Ordinance Program Evaluation and Update	2014-15	In the Summer of 2012, the Environmental Quality Commission (EQC) provided recommendations to staff and city council regarding updating and modifying the City's Heritage Tree Ordinance. This study would review the EQC's recommendation, analyze program's effectiveness and processes, and prepare revisions for the City Council to consider for adoption.
Community Zero Waste Policy Draft	2015-16	This project was identified in the Climate Action Plan's five year strategy approved by Council in July 2011. Landfilled waste emits methane that is twenty time more potent than carbon dioxide emissions that contribute to climate change. A zero waste policy would provide a road map for the city to follow to reduce landfilled waste through less waste generation and recycling. This project would include community engagement and a draft policy for the City Council to consider.
Installation of Electric Plug In Recharging Stations Cost Benefit Analysis and Plan	2015-16	Part of the Climate Action Plan's five year strategy approved by Council in July 2011 to consider installing recharging electric vehicles (EV) and plug in hybrid electric vehicles (PHEV) in public parking facilities. The City can also encourage or require larger local businesses and multi-unit housing projects to install charging stations. The 2009 Climate Action Plan estimated that installing 30 recharging stations would reduce an estimated 7,000 metric tons of greenhouse gas emissions. This study would explore various options for the city to consider. The study will also evaluate charging a minimal fee for recharging vehicles.

Descriptions of Projects Proposed for FY 2014/15 through FY 2017/18

Bike Sharing Program Cost Benefit Study	2016-17	Part of the Climate Action Plan's five year strategy approved by Council in July 2011. This project would study the program's cost and benefit's for reducing greenhouse gas emissions and its suitability for Menlo Park. A Bike Sharing Program provides publicly shared bicycles that can increase the usage of bicycles in an urban environment. Redwood City is currently participating in a pilot regional a bike sharing program in the bay area.
City Car Sharing	2017-18	Part of the Climate Action Plan's five year strategy approved by Council in July 2011. This project would study the program's cost and benefits for reducing greenhouse gas emissions and its suitability for Menlo Park. Many cities (San Francisco, Berkeley, and Portland) have implemented a car sharing program.

Water Systems

Urban Water Management Plan	2014-15	This project will prepare an Urban Water Management Plan that is due to the State in the year 2015. This is a State requirement every 5 years. Having this plan in place makes the City eligible for grants. The plan is only for the City's Municipal Water District.
Water Rate Study	2014-15	The existing 5 year water rates approved by the City Council will end in June 2015. This study will analyze the operating water budget and make new recommendations for proposed water rates for City Council approval.
Automated Meter Reading	2015-16	This project will involve selecting appropriate technology then installing the initial phase of automated meter reading infrastructure for the Menlo Park Municipal Water District.
Water Main Replacements	2015-16	This recurring project involves replacement and improvements to the Menlo Park Municipal Water District's distribution system. The locations of work are determined through maintenance records and as needed to support other major capital projects such as the emergency water supply project.

Parks and Recreation

Jack Lyle Park Restrooms Construction	2014-15	This project will involve engaging the neighboring community in developing a conceptual design, then constructing restrooms at Jack Lyle Park.
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Descriptions of Projects Proposed for FY 2014/15 through FY 2017/18

Burgess Pool Deck Repairs	2014-15	Pool chemicals are corrosive and erode the cement pool decks making the pool age significantly, impacting aesthetics, and increasing the risk of safety issues from slips and trips. This project would coat the entire 11,600 feet of pool deck surface with protective coating similar to what was used at Belle Haven Pool in 2011. This would ensure a longer life for the decks and avoid the need to replace the cement which would be a significantly higher cost.
Bedwell Bayfront Park Restroom Repair	2015-16	The project will replace the sewage ejector pump and the exterior siding. The existing sewage ejector pump breaks down constantly and an alternative design needs to be evaluated. The exterior of the restrooms is a composite material and is showing cracks. The restroom was built in 1996.
Jack Lyle Sports Field Sod Replacement	2014-15	The project will consist of removing the existing sod, adjusting the irrigation system and installing new sod. The field has had to annually be patched with new sod due to wear which has created irregular grades in the field. The existing field was built in 2002.
Willows Oaks Dog Park Renovation	2014-15	This project will include a scoping and design phase in FY 2013/14, then construction in FY 2014/15 of upgrades and replacement at the Willow Oaks Dog Park.
Park Pathways Replacement	2016-17	The project consists of replacing damaged pathways at Market Place, Nealon, Sharon, and Stanford Hills Parks.
La Entrada Baseball Field Renovation	2016-17	The existing La Entrada baseball field has poor drainage and needs new sod. The project will regrade the outfield and install a drainage system and new irrigation systems and new sod.

Comprehensive Planning Project Studies

Housing Element Implementation Programs-Infrastructure Improvements	TBD	The Environmental Assessment that is being prepared for the Draft Housing Element may identify a need for some infrastructure improvements that would need to be addressed by the Fall of 2014 in order to maintain compliance with State Law. The infrastructure improvements may be needed to either remove a constraint to the development of housing or maintain consistency with a policy in the City's General Plan. Once the Environmental Assessment is prepared, staff will be able to provide an estimate of the resource needs for developing a plan to accomplish the infrastructure improvements.
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Descriptions of Projects Proposed for FY 2014/15 through FY 2017/18

Stormwater

Chrysler Pump Station Improvements	2014-15	Improvements will include design and construction of upgrades to the aging equipment (may consist of pumps, motors, electrical system, heaters, fans, flap gates, generator).
Middlefield Road Storm Drainage Improvements	2015-16	This project involves design of a storm drainage system to address flooding on Middlefield Road from San Francisquito Creek to Ravenswood Avenue.
Trash Capture Device Installation	2015-16	This project will install trash capture devices during next round of Municipal Regional Permit to reduce the amount of pollutants going into the Bay in anticipation of heightened trash capture device requirements.
Corporation Yard Storage Cover	2016-17	This project consists of installing a cover over the green waste and garbage collected at the Corporation Yard high enough to drive trucks thru. A best management practice is recommended by the Regional Water Quality Control Board NPDES permit issued to the City to cover green waste and garbage areas so that water does not flow through the debris and then into the storm drain system.

Other/Miscellaneous

Bedwell Bayfront Park Gas Collection System Repair	2014-15	This project will address repairs that may be needed as part of routine maintenance to the gas collection system serving the former landfill at Bedwell Bayfront Park. Improvements that could increase methane capture will be implemented, reducing greenhouse gas emissions. This project will be scoped in more detail following completion of the Gas Collection System Improvements Study and Conceptual Design project.
Downtown Streetscape Improvements	2014-15	The project will consist of planning and implementation of improvements in the downtown area per the Specific Plan considering the Chestnut Paseo and Santa Cruz Avenue Sidewalk and the development of new streetscape plans. The project will be comprised of four components which will consist of meeting with Downtown businesses and customers for an early implementation of a pilot sidewalk widening project. The second component will include development of the pilot plans for implementation of other elements of the specific plan. The third component will be the implementation of the pilot plan and the fourth component will be development of a master plan for the downtown area.

Descriptions of Projects Proposed for FY 2014/15 through FY 2017/18

Portable Concert Stage Trailer	2014-15	The current stage for the summer concerts is out of date, labor intensive to assemble, and does not allow for flexibility to use it for other city events. The stage is only used for 8 weeks during the summer concerts. The purchase of a large portable concert stage trailer would eliminate the need for 2 full days of assembly and tear down since it is automated. The stage could be moved each week to prevent impact to the park lawn area. The stage could be moved easily from one location to another if we have events going on during a similar period or throughout the year. This would also reduce annual expenses since staff would not have to rent stages for other events such as 4th of July.
Integrated ERP System	2014-15	An ERP project is a complex undertaking. A comprehensive needs assessment, including a review of current business processes is critical in developing the project scope, modules and strategy. This is necessary prior to the creation and distribution of an RFP. Funding will need be allocated for the selection of a new system (2015-16) and system implementation (2016-18).
El Camino Real Median and Side Trees Irrigation System Upgrade	2015-16	This project will replace the existing irrigation controllers on El Camino Real with a Rain Master Evolution II central irrigation system, which will improve water savings and reduce maintenance costs. The Rain Master irrigation system allows staff to control the system remotely and the system could automatically shut off at times of rain or breaks in the irrigation system.
Measure T Funds Evaluation/Project Ranking	2015-16	This project will consist of community engagement activities to get input from the public in developing priorities for the Measure T fund.
Overnight Parking Application	2016-17	This project would create a software program to allow a resident to apply, pay, and print an overnight parking permit from the internet. This would provide a convenience for residents to go online, pay and print the permit from home late at night and place the permit on their dashboard so they do not receive a ticket overnight. The website currently does not provide this added feature for residents.
Parking Plaza 7	2017-18	This project consists of construction of needed improvements at Parking Plaza 7 including landscaping, lighting, storm drainage and asphalt pavement rehabilitation. Work will be coordinated with Downtown Parking Utility Underground Project.

Descriptions of Projects Proposed for FY 2014/15 through FY 2017/18

<p>Baby Pool Analysis/Preliminary Design</p>	<p>2017-18</p>	<p>The demand for more recreational pool space has been a need for many years since the major pool redesign in 2006. This project would evaluate the utility of the current baby pool to allow for a wide range of ages and more space of open recreation swimming time. Currently, the baby pool is only 1' 6" in depth, open May through September, and for only toddlers and their parents. The proposed project would evaluate the current capacity of the baby pool, investigate if an environmental analysis is required and look into a zero entry pool that increases to 3 ½ depth. This would allow for a broader range of ages up to grade school more space to enjoy and reduce the demand of the instructional pool.</p>
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Appendix E - Proposed Projects for FY 2013/14

Table E.1 – New Capital Projects Summary FY 2013/14

New Capital Projects	FY 2013/14 Budget	5-Year Total Budget
Automated Library Return Area Renovation	120,000	120,000
Bedwell Bayfront Park Leachate Collection System Replacement	100,000	1,000,000
City Website Upgrade	75,000	75,000
Downtown Parking Utility Underground	100,000	4,650,000
El Camino Real/Ravenswood NB Right Turn Lane	200,000	1,350,000
El Camino Real Lane Reconfiguration Alternatives Study	200,000	200,000
Emergency Water Supply Project	2,800,000	2,800,000
Energy Efficiency/Renewable Energy Program for Residential and Commercial Sector Master Plan	60,000	60,000
Facility Energy Retrofit	325,000	650,000
General Plan Update (M-2 Plan)	1,000,000	5,000,000
High Speed Rail Coordination	50,000	250,000
Housing Element Implementation Programs – Ordinances and Policies	TBD	TBD
Improved Infrastructure for the Delivery of Electronics Library Services-Study	37,000	37,000
Information Technology Master Plan	111,000	111,000
Library Landscaping	50,000	350,000
Library RFID Conversion	29,000	29,000
Pope/Chaucer Bridge Replacement	100,000	100,000
Radio Replacement	395,000	521,000
Sand Hill Road Pathway Repair	50,000	300,000
Sidewalk Master Plan Implementation	100,000	500,000

Table E.2 – Maintenance of Current Infrastructure Projects Summary FY 2013/14

Maintenance of Current Infrastructure	FY 2013/14 Budget	5-Year Total Budget
City Buildings (Minor)	300,000	1,525,000
Park Improvements (Minor)	120,000	640,000
Sidewalk Repair Program	300,000	1,500,000
Storm Drain Improvements	110,000	570,000
Street Resurfacing	5,270,000	16,290,000

Proposed Projects for FY 2013/14

Automated Library Return Area Renovation

This project will remove an interior wall and adjacent staff office to expand the sorting capacity of the automated materials handling system installed in FY 2012-13. In FY 2012-13 the library installed an automated materials return (self-check-in) and an automated materials handling system to improve the check-in process and get materials back on shelves more quickly. Restricted space in the staff work area dictated that only 6 sorting bins could be installed on a system that could accommodate more sorting bins. Removing the wall will allow the system to expand by adding three more bins maximizing the return on investment in the entire project.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	60,000	-	-	-	-	60,000
Library Bond Fund	60,000	-	-	-	-	60,000
Sub-total	120,000	-	-	-	-	120,000

Bedwell Bayfront Park Leachate Collection System Replacement

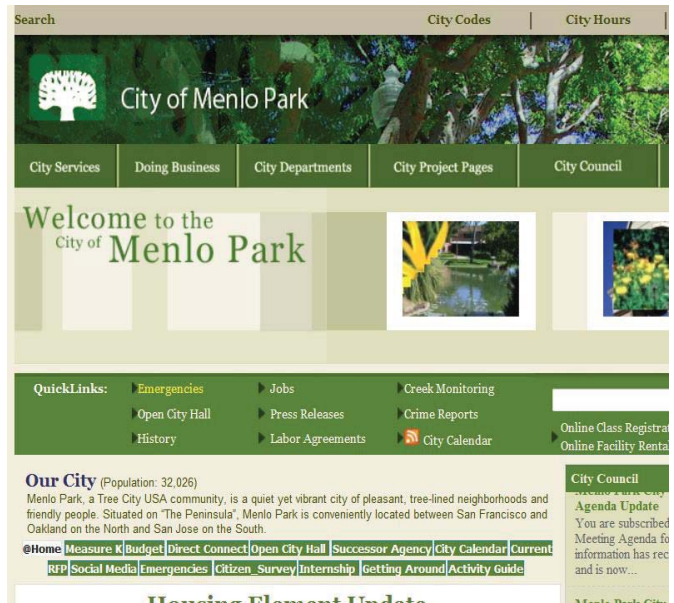
This project will involve repairs and upgrades to the existing leachate collection system that the City is required to maintain at the former landfill site at Bedwell Bayfront Park.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
Bedwell Bayfront Park Landfill	100,000	900,000	-	-	-	1,000,000
Sub-total	100,000	900,000	-	-	-	1,000,000

City Website Upgrade

This project will upgrade the City Website to a more user friendly and solution based interface. Revise departmental pages and website structure so that residents, non-residents, businesses and contractors can easily find answers to their questions. Website design and implementation would be performed by a consultant with experience in municipal website development.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	75,000	-	-	-	-	75,000
Sub-total	75,000	-	-	-	-	75,000

Downtown Parking Utility Underground

A project study was initiated in FY 2008/09 to investigate the use of Rule 20A funding for undergrounding utilities in the downtown parking plazas, and through recent communication with PG&E, it has been confirmed that this can be done. As a result, the City will begin the process of creating an underground utility district in the downtown area, then design and construction can begin.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund CIP	100,000	2,750,000	-	-	-	2,850,000
Downtown Parking Permits	-	1,800,000	-	-	-	1,800,000
Sub-total	100,000	4,550,000	-	-	-	4,650,000

El Camino Real/Ravenswood NB Right Turn Lane

This project will design conversion of the existing North Bound Right Turn Lane to the third North Bound through Lane and adding a NB Right Turn Lane.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
Transportation Impact Fee	200,000	1,150,000	-	-	-	1,350,000
Sub-total	200,000	1,150,000	-	-	-	1,350,000

El Camino Real Lane Reconfiguration Alternatives Study

This project will consist of a traffic study to determine the level of service at the intersections on El Camino Real when a bicycle lane or a third through lane is added for both the northbound and southbound directions between Encinal Avenue and Live Oak. The study will also evaluate impacts of removing the on-street parking on El Camino Real, business (parking) effects, safety and aesthetics.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
Measure A	200,000	-	-	-	-	200,000
Sub-total	200,000	-	-	-	-	200,000

Emergency Water Supply Project

This project will involve the first phase of construction of up to three emergency standby wells to provide a secondary water supply to the Menlo Park Municipal Water District's eastern service area. An emergency water supply would be needed in the event of an outage of the SFPUC Hetch Hetchy system. Final project costs will vary depending on land acquisitions costs and the final depth and size of the wells. This project was partially funded in FY 2011-12.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
Water Fund- Capital	2,800,000	-	-	-	-	2,800,000
Sub-total	2,800,000	-	-	-	-	2,800,000

Energy Efficiency/Renewable Energy Program for Residential and Commercial Sector Master Plan

Part of the Climate Action Plan's five year strategy. This project would provide a comprehensive five year plan and strategy for the City to implement projects and programs to reduce energy consumption of fossil fuels in residential and commercial energy use.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	60,000	-	-	-	-	60,000
Sub-total	60,000	-	-	-	-	60,000

Facility Energy Retrofit Project

Staff has been working with Ecology Action, a PG&E consultant who has been evaluating energy usage in City Facilities. Based on the evaluation, numerous pieces of equipment should be replaced such as the administration chiller and energy management program. This will result in significant energy savings with a rate of return on the capital cost of 5-10 years. In addition, the City will receive a PG&E rebate of approximately \$100,000.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	325,000	325,000	-	-	-	650,000
Sub-total	325,000	325,000	-	-	-	650,000

General Plan Update (M-2 Plan)

This project involves a comprehensive update of the General Plan. The project would focus on the Land Use and Circulation Elements, which were adopted in 1994 and include land use and traffic projections to the year of 2010. The plan would include a geographic focus of the M-2 zoning area, plus other areas of the City aside from the El Camino Real and Downtown area. Topics that would be a focus of discussion would include items such as Complete Streets and a Greenhouse Gas Reduction Strategy. The project would involve multiple phases including work program definition, consultant selection, data collection and analysis, visioning, plan preparation, environmental and fiscal review, and extensive public participation. Upon adoption of the updated General Plan, the work effort would focus on high priority implementation programs identified in the Plan. By the end of December 2013, the goal would be to have conducted a request for proposals and retained a consultant team for work on the project.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
Comprehensive Planning Projects Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Sub-total	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000

High Speed Rail Coordination

The California High Speed Rail Bay Area to Central Valley route is being planned along the existing Caltrain tracks through the City of Menlo Park. This project involves City staff coordination with the Peninsula Cities Coalition, neighboring jurisdictions, the High Speed Rail Authority and elected officials to protect the City's interests during the planning and implementation stages of the California High Speed Rail project. Funding will be used for technical expertise and consulting support.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	50,000	50,000	50,000	50,000	50,000	250,000
Sub-total	50,000	50,000	50,000	50,000	50,000	250,000

Housing Element Implementation Programs-Ordinances and Policies

The Draft Housing Element identifies a number of implementation programs that would need to be accomplished by the Fall of 2014 in order to maintain compliance with State Law. Many of the implementation programs would involve the preparation of amendments to City ordinances or policies. Once the City receives comments from the State Housing and Community Development Department on the Draft Housing Element, staff will be able to provide an estimate of the resource needs to accomplish the implementation programs.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
TBD	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-

Improved Infrastructure for the Delivery of Electronic Library Services-Study

Improving electronic service access in Menlo Park is the Library Commission's second Work Plan priority. Extending access to library services beyond those who visit the library, extending access to business information that increases Menlo Park's ability to serve small businesses and start-ups, extending access to Menlo Park's Spanish-speaking population, extending teen services, and reducing library costs are some of the potential benefits of this project.

This project will involve use of a consultant to identify appropriate technologies needed to support new services and improve existing ones, design new services based on these technologies (including, but not limited to, Web site design), and implement the designs.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	37,000	-	-	-	-	37,000
Sub-total	37,000	-	-	-	-	37,000

Information Technology Master Plan

This project would provide an assessment of the existing technology tools in use within the organization currently, evaluate the need for replacement, and development recommendation as to the best type of replacement in priority order. This work would be done in together with a consultant, and a representative City Committee to enable a knowledgeable evaluation that would assist the City to avoid disruption caused by failures to the aging systems in use throughout the City. This project would be followed by requests to purchase or upgrade the existing systems.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	111,000	-	-	-	-	111,000
Sub-total	111,000	-	-	-	-	111,000

Library Landscaping

The project consists of replacing the landscaping and irrigation system around the library. The existing landscaping and irrigation system is in need of major upgrades and a portion of the system is over thirty years old.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	50,000	300,000	-	-	-	350,000
Sub-total	50,000	300,000	-	-	-	350,000

Library RFID Conversion

This project will convert all library materials from current barcode system to more reliable RFID format. Install new patron self checkout stations, concurrent with previously approved circulation area remodel.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	29,000	-	-	-	-	29,000
Sub-total	29,000	-	-	-	-	29,000

Pope/Chaucer Bridge Replacement

The Santa Clara Valley Water District (SCVWD), a member agency of the SFCJPA, will replace the existing Pope/Chaucer Street Bridge crossing at San Francisquito Creek. The new bridge will be designed and constructed to accommodate a 1% (100-year) flow event under the bridge and prevent future flooding of the areas surrounding the creek. The project is part of the overall SFCJPA goal to provide 100-year flood capacity in the creek. Funding for this project is for staff assistance during the design phase.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	100,000	-	-	-	-	100,000
Sub-total	100,000	-	-	-	-	100,000

Radio Replacement

The Dispatch Center utilizes an extensive network of radio equipment which has a useful lifespan of 10 to 15 years. If equipment is not replaced it can malfunction, leading to a loss of communication with police officers in the field. This would lead to an enhanced level of risk to officers and a decrease in service to the community. A multi-year Replacement Schedule was created in 2010 by the County which stipulates equipment to be replaced based on lifespan. All costs to install include labor.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	395,000	26,000	100,000	-	-	521,000
Sub-total	395,000	26,000	100,000	-	-	521,000

Sand Hill Road Pathway Repair

This project will involve the design and installation of repairs and improvements to the asphalt concrete path along Sand Hill Road.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	50,000	250,000	-	-	-	300,000
Sub-total	50,000	250,000	-	-	-	300,000

Sidewalk Master Plan Implementation

This project will involve constructing new sidewalks in areas with priority needs as identified in the Sidewalk Master Plan. Resident surveys will be conducted at high priority locations to assess the level of support prior to selecting specific sites.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
Measure A	100,000	100,000	100,000	100,000	100,000	500,000
Sub-total	100,000	100,000	100,000	100,000	100,000	500,000

City Buildings (Minor)

This ongoing project was established in Fiscal Year 2004-05. Projects programmed on an annual basis include minor improvements that extend the useful life of systems and equipment in City Buildings. The project will design the replacement of the Corporation Yard roof, and other miscellaneous building improvements throughout the City.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund – CIP	300,000	300,000	300,000	300,000	325,000	1,525,000
Sub-total	300,000	300,000	300,000	300,000	325,000	1,525,000

Park Improvements (Minor)

The project addresses minor improvements to parks, such as repairing fences, irrigation systems, play equipment, resodding portions of fields and adding sand and fiber to play equipment.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund-CIP	120,000	130,000	130,000	130,000	130,000	640,000
Sub-total	120,000	130,000	130,000	130,000	130,000	640,000

Sidewalk Repair Program

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



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	120,000	120,000	120,000	120,000	120,000	600,000
Sidewalk Assessment	180,000	180,000	180,000	180,000	180,000	900,000
Sub-total	300,000	300,000	300,000	300,000	300,000	1,500,000

Storm Drain Improvements

This ongoing project will implement improvements that were identified in the Storm Drain Master Plan.



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund - CIP	110,000	110,000	115,000	115,000	120,000	570,000
Sub-total	110,000	110,000	115,000	115,000	120,000	570,000

Street Resurfacing

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



FUNDING SOURCE	2013/14	2014/15	2015/16	2016/17	2017/18	TOTAL
General Fund-CIP	2,000,000	-	2,000,000	-	2,000,000	6,000,000
Construction Impact Fee	1,000,000	-	1,000,000	-	1,000,000	3,000,000
Highway User Tax	2,000,000	230,000	2,000,000	250,000	2,000,000	6,480,000
Measure A	270,000	-	270,000	-	270,000	810,000
Subtotal	5,270,000	230,000	5,270,000	250,000	5,270,000	16,290,000

REVISIONS TO THE PREVIOUS YEAR'S CIP

New Projects: New Projects were added to the interim years of the CIP to meet emerging community needs since the last 5-year plan was adopted in 2012. These include:

- Automated Library Return Area Renovation in 2013-14 to expand the area for sorting capacity of the automated materials handling system (\$120,000)
- Housing Element Implementation Program-Ordinances and Policies in 2013-14 to amend City ordinances and policies to maintain compliances with State law (Cost TBD)
- Information Technology Master Plan in 2013-14 to provide an assessment of the existing technology currently being used and evaluate the need for replacement (\$111,000)
- Pope/Chaucer Bridge Replacement in 2013-14 to provide staff support for the design phase of this project (\$100,000)
- Energy Efficiency/Renewable Energy Program for Residential and Commercial Sector Master Plan in 2013-14 to plan a strategy for the City to implement programs to reduce energy consumption (\$60,000)
- Facility Energy Retrofits in 2013-14 through 2014-15 to replace equipment and the energy management program (\$650,000)
- Library Landscaping in 2013-14 through 2014-15 to replace the landscaping and irrigation system around the library (\$350,000)
- Alma/Ravenswood Pedestrian/Bike Study in 2014-15 to evaluate alternative improvements for pedestrian and bicycle circulation (\$60,000)
- Requirement for pharmacies to take back Pharmaceuticals Draft Ordinance in 2014-15 to require a take back program would increase disposal options for residents and avoid disposing of chemicals in the sewer system (\$25,000)
- Water Rate Study in 2014-15 to analyze the operating water budget and recommend proposed new rates (50,000)
- Portable Concert Stage Trailer in 2014-15 to purchase a new portable stage that can easily be moved and assembled (\$52,500)
- Willow Road/VA Hospital Durham Street Signal Modification in 2014-15 to upgrade traffic signal to ADA standards (\$395,000)

- Alternative Transportation Social Marketing in 2014-15 to help alter behavior and perceptions about alternative transportation in Menlo Park (60,000) previously under the unfunded list
- Heritage Tree Ordinance Program Evaluation in 2014-15 to review the program's effectiveness and processes (\$50,000)
- Integrated ERP System in 2014-2015 through 2017-18. The first phase of this project will provide a needs assessment including a review of current business processes (Cost TBD)
- Arrillaga Recreation Center Light Replacement in 2015-16 to replace discontinued existing lights with ones that are more common and easier to maintain (\$32,000)
- Florence/Marsh and Bay/Marsh Signal Modification in 2015-16 to improve level of service, pedestrian safety and upgrade traffic signal equipment (\$345,000)
- Measure T Funds Evaluation/Project Ranking in 2015-16 to get input from the public to develop priorities for the Measure T fund (\$125,000)
- Laurel Street/Ravenswood Signal Modification in 2015-16 to enhance traffic safety and upgrade traffic signal equipment (\$195,000)
- Community Zero Waste Policy Draft in 2015-16 to reduce landfill waste through less waste generating and recycling (\$50,000)
- Sand Hill Road Signal Modification in 2016-17 to upgrade traffic and pedestrian signal equipment at Sand Hill and Saga Lane (\$250,000)

The fifth year (2017-18) of the 5-year plan had no projects shown in the prior version. Six projects were added based on identified needs and review of the list of unfunded projects. New projects added for 2017-18 include:

- Belle Haven Youth Center Improvements to replace floor, ceilings, cabinets, and painting (\$150,000)
- Fire Plans and Equipment Replacement at the Council Chamber, Onetta Harris Community Center and Library to replace existing system and equipment that are becoming outdated (\$60,000)
- Retractable Lights Installation at Gymnasium and Gymnastic Centers that are currently high in cost to maintain and repair (\$500,000)
- Library Furniture Replacement to replace 20 year old furniture that cannot be repaired nor cleaned (\$450,000)

- Caltrain Bike/Pedestrian Undercrossing Design - previously an unfunded project - to design the undercrossing under Caltrain tracks between Ravenswood Avenue and Cambridge Avenue (\$500,000)
- Baby Pool Analysis/Preliminary Design to evaluate the utility and capacity of the pool and investigate if an environmental analysis is required (\$100,000)

Time Frame and Funding Changes: Several projects were pushed back to later fiscal years or moved to earlier years from the time frames proposed in the previous CIP. In some projects, funding increased based on new information and the change in Council priorities, including:

- El Camino Real/Ravenswood NB Right Turn Lane Design and Construction moved from 2014-15 to 2013-14 (\$200,000 first year for design, total \$1,150,000)
- Main Library Interior Wall Fabric Replacement moved from 2014-15 to 2015-16 (\$150,000)
- Menlo Children's Center Carpet Replacement moved from 2013-14 to 2014-15 (\$60,000)
- Middlefield Road at Willow Road Intersection Reconfiguration Study moved from 2015-16 to 2016-17 (\$50,000)
- Sand Hill Road Signal Interconnect moved from 2013-14 to 2014-15 funding increase from \$100,000 to \$1,495,000. The project will be funded by San Mateo County Transportation Authority
- Bike Sharing Program Cost Benefit Study moved from 2014-15 to 2016-17 (\$60,000)
- City Car Sharing Program Study moved from 2015-16 to 2017-18 (\$50,000)
- Automated Meter Reading moved from 2014-15 to 2015-16 (\$50,000 first year, total \$2,450,000)
- Jack Lyle Sports Field Sod Replacement moved from 2013-14 to 2014-15, increase in funding from \$75,000 to \$80,000
- Willow Oaks Dog Park Renovation moved from 2013-14 to 2014-15 (\$50,000 first year, total \$300,000)
- Chrysler Pump Station Improvements moved from 2013-14 to 2014-15, funding increase from \$320,000 to \$350,000.
- City Website Upgrade moved up from 2015-16 to 2013-14 (\$75,000)

- Downtown Streetscape improvements project funding increased from \$175,000 to \$470,000 to include improvements on Chestnut Paseo and Santa Cruz Avenue per the Specific Plan (\$80,000 first year, total \$470,000)
- Parking Plaza 7 renovations was moved from 2015-16 to 2017-18 in order to complete the utility undergrounding prior to parking plaza renovation. Parking Plaza 7 was funded for design in FY 2010-11 and construction in FY 2011-12. Approximately \$200,000 of the construction funding from the FY 2011-12 will be used to make surface repairs to both Parking Plaza 7 and 8 to help these lots last until the utility undergrounding project is completed, and as a result \$200,000 is planned in FY 2017-18.
- Emergency Water Supply in 2013-14 increase in funding from \$2,000,000 to \$2,800,000
- Urban Water Management Plan in 2014-15 increase in funding from \$50,000 to \$70,000
- General Plan Update in 2013-14 increase in funding from \$500,000 to \$1,000,000. The General Plan Update and the M-2 Area Plan in 2016-17 were combined to include staff time and consultant costs

Projects eliminated, moved to operating budget or added to the Unfunded Category:

Due to limited or alternative funding availability and more pressing community needs, a few projects have been moved to the Unfunded Project Index (Appendix C of the CIP).

These include:

- Parking Plaza 8 renovations were pushed out and placed in the unfunded category in order to complete the utility undergrounding prior to parking plaza renovation. This project will be moved back into the plan in 2018-19.
- The Energy Requirements and Water Standard options for existing Building Stock project was eliminated and replaced by the Energy Efficiency/Renewable Energy Program for Residential and Commercial Master Plan (\$60,000)
- The yearly storm drain cleaning was partially funded by the Storm Drain Improvement Project, the cleaning component of the storm drains will be eliminated from the project and will be included in the operating budget as part of the maintenance program (\$65,000)
- CEQA and FIA Guidelines were moved to the unfunded category, this project may be completed as part of the General Plan Update



TRANSPORTATION DIVISION

701 Laurel Street / Menlo Park, CA 94025-3483 / (650) 330-6770 / Fax (650) 327-5497

MEMORANDUM

DATE: February 1, 2013

TO: Alex D. McIntyre, City Manager

FROM: Greg Klingsporn, Chair Bicycle Commission

SUBJECT: Bicycle Commission's Comments on the FY 2013-18 Capital Improvement Plan

Based on our meeting December 10th, 2012 and our subsequent meeting on January 14th, 2013 the Bicycle Commission's would like to submit the following comments on the FY 2013-18 Capital Improvement Plan:

Because the proposed Stanford/Arrillaga project is currently in process but not finalized in design, the Bicycle Commission recommends that the City Council fund a project to finalize the design of a bicycle/pedestrian tunnel underneath the CalTrain tracks at Middle Avenue for the 2013-2014 CIP year.

This project could build from the City's 2009 Caltrain Bike/Pedestrian Undercrossing Study and Conceptual Design, a project that studied and developed conceptual plans in the exact same area, while ensuring that the design integrates with Stanford's development plan. An optimal design would allow for pedestrians and cyclists to access the tunnel without significant impact on automotive ingress & egress and without requiring bicyclists to dismount. The Bicycle Commission believes that postponing design work until after the Stanford project is complete would likely result in higher expense and suboptimal design choices.

The Bicycle Commission suggests that the City Council consider allocating funds for the above project from current Traffic and Transportation projects that are not as time-sensitive, such as the Alma/Ravenswood Pedestrian/Bike Study and the El Camino Real Lane Reconfiguration, or other projects with sufficient budget capacity.

The Bicycle Commission thanks you for considering these comments and looks forward to working with the City Council to move forward this long-desired improvement to the City's infrastructure.



MEMORANDUM

DATE: January 10, 2013

TO: City Council

FROM: Mitch Slomiak, Chair of Environmental Quality Commission

SUBJECT: Capital Improvement Plan Comments

The Environmental Quality Commission (EQC) took the opportunity to carefully review the 2013-18 Capital Improvement Plan (CIP) on December 5, 2012 and January 9, 2013. Based on this review, the commission took the following action regarding the draft CIP in a 6-0-1 (Absent: Kuntz-Duriseti) vote:

“The EQC strongly supports all projects in the “Environmental” category. In addition, the EQC recommends moving the Heritage Tree Ordinance as a project for next fiscal year to improve efficiency and reduce costs for staff, residents, and developers. This project was carefully vetted by the EQC’s Heritage Tree Subcommittee and city staff.”



Memorandum

January 30, 2013

To: Mayor and City Council

From: The Housing Commission

Subject: Comments re the Draft Capital Improvement Plan FY 2013-18 (CIP)

During a Special Housing Commission meeting on January 16, 2013, members of the Housing Commission reviewed the Capital Improvement Plan. The commissioners determined they do not have comments for the Council.



Menlo Park Library

TO: Alex D. McIntyre, City Manager

FROM: Jacqueline Cebrian, Chair, Library Commission

DATE: February 1, 2013

RE: Draft 5-Year CIP comments

We are happy with all the library improvements scheduled on the CIP draft. The one area of concern to our commission was the \$37,000 allotted for a study of “Improved Infrastructure for the Delivery of Electronic Library Services”. While this was requested before I began serving on the library commission, my understanding is that those funds were to have been an adequate amount to complete the work, not just the study.

Also, to add some urgency to the work completion issue, Peninsula Library Systems will only continue to host the webspace for the Menlo Park Library for about another year. We would like some assurance that this money will cover the actual work as well since time is somewhat limited for the current website setup.

Thank you.



Community Services

TO: Alex D. McIntyre, City Manager

FROM: James Cebrian, Chair, Parks & Recreation Commission

DATE: February 1, 2013

RE: Draft 5-Year CIP comments

Overall we are pretty happy with the CIP draft. The only concern that was voiced at our December commission meeting centered on the discussion of restrooms in our parks. It was noted that the Bedwell-Bayfront restroom upgrade was listed on the CIP, however the restrooms at Willow Oaks Park was left off the list. It is our understanding that the Willow Park restrooms are currently on the unfunded CIP list and we want to be sure that it remains on the list or considered for funding in the near future. The park is of need of restrooms due to the number of sports groups that use it. We also understand the project would require extensive community engagement as it is known that there has been some vocal opposition by neighbors.

Thank you for your consideration.



MEMORANDUM

DATE: February 1, 2013

TO: Chip Taylor, Public Works Director

FROM: Thomas Rogers, Senior Planner

RE: **Planning Commission Comments on Draft 2013-2018 Five-Year Capital Improvement Plan (CIP)**

On December 17, 2012, the Planning Commission reviewed, discussed, and provided input on the draft CIP for fiscal years 2013-2018. The Commission's discussion took the form of individual comments, as opposed to group motions/votes, although some points were stated by more than one Commissioner. Comments made by multiple Commissioners included the following:

- Recommend prioritizing projects to improve mobility (automobile, bicycle, and pedestrian flow), in particular in the El Camino Real and M-2 areas, in order to proactively accommodate planned growth (Ferrick, Kadvany, Riggs)
- Support the inclusion of El Camino Real/Downtown Specific Plan trial public space improvement projects in 5-year CIP (Eiref, Kadvany);
- Recommend moving the Downtown Parking Structures Feasibility Study from the future, non-funded list to the 5-year CIP (Riggs, Kadvany)
- Interest in expediting certain Planning projects (M-2 plan, residential design guidelines, CEQA changes), although understanding of need to complete General Plan first (Kadvany, Riggs)
- Request additional information regarding pool-related expenses, specifically what the current pool operator's obligations are (Bressler, Ferrick)

Commissioners (listed alphabetically) also provided individual comments and questions including the following:

Commissioner Bressler

- Recommend that a new project to establish a public benefit policy be created and prioritized

Commissioner Eiref

- Clarification questions regarding the Sidewalk Master Plan and Santa Cruz Avenue Sidewalk project
- Questions regarding the General Plan cost
- Support for the Jack Lyle Restrooms project

Chair Ferrick

- Clarification questions regarding ongoing/operational vs. capital costs
- Comment that Florence/Bay/Marsh does not appear to have major problems currently, but that proposed 2015-16 plans may make sense with regard to Menlo Gateway project potentially being developed around that time
- Suggestion that Middlefield storm drain improvements might be moved up, as there may have been some issues with those during recent storms

Vice Chair Kadvan

- Would like to better understand overall strategic perspective of CIP, in order to put individual projects into context
- Questions regarding Heritage Tree Ordinance review and Greenhouse Gas Social Marketing Plan

Commission O'Malley

- Questions regarding why street resurfacing project has a large expense every two years, as opposed to a more even yearly expense
- Questions regarding cost projections, including a comment that because they are public information, subsequent consultant/contractor bids might propose full amount even if that's not strictly necessary
- Questions regarding costs of Alma/Ravenswood Pedestrian/Bike Study, Sand Hill Road Signal Interconnect, Downtown Parking Utility Underground, and Information Technology Master Plan projects
- Questions regarding Police Department Radio Replacement project, in particular whether replacement all at one time would be more cost effective than staggered replacement

Commissioner Onken

- City should consider planning for sea level rise and related implications
- Questions regarding Willow Oaks Dog Park

Commissioner Riggs

- Comment that Downtown Utility Underground project should not conflict with future parking structure plans
- Will follow up separately with staff on individual comments about street tree irrigation and other non-Planning questions

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Date: February 1, 2013

To: Alex D. McIntyre, City Manager

From: Bianca Walser, Chair, Transportation Commission

Subject: Transportation Commission Comments on the FY 2013-18 Capital Improvement Plan

Based on our meetings of December 12, 2012 and January 9, 2013 and in response to your Memorandum of November 29, 2012, transmitted for Council's consideration are the Transportation Commission's comments on the FY 2012-17 Capital Improvement Plan (CIP).

The Transportation Commission voted to request that Council reinstate the street light installation program and set aside \$50,000 per year for that purpose. For the first year, part of the funds can be used to develop the necessary policies and process.

Given that the Director of Public Works indicated this program may be more appropriately placed in a department other than Transportation, the Commission refrained from identifying an offsetting item within the CIP.

City of Menlo Park
Project Status Report

ATTACHMENT D

Updated: March 20, 2013

Project Name	Approved Budget	Fiscal Year Funded	Status Active/ Completed	Complete 2012/2013 (Yes/No)	March 2012 Anticipated Completion
Administrative Servies					
City Facilities Telephone System Upgrade	\$295,000	2012-13	Active	Yes	June 2013
Council Chambers Audio/Video	\$75,000	2012-13	Active	Yes	TBD
Community Development					
Housing Element	\$1,150,000	2011-12	Active	Yes	June 2013
Modify Single Family Residential Zoning Standards and Review Process	\$5,000	2008-09	On Hold	No	
Willow Business Area and M-2 Zoning District Area Work Program	Phases 1.1 & 1.2 - \$35,000 Phase 1.3 - \$500,000	Phases 1.1 & 1.2 2004-05 Phase 1.3 - yet to be funded	Phases 1.1 & 1.2 On Hold Phase 1.3 - Pending	No	Dec 2013
Community Services					
Burgess Pool Pump Ladder	\$28,000	2012-13	Active	Yes	June 2013
Library					
Automated Library Materials Return	\$120,000	2012-13	Active	Yes	June 2013
Library RFID Conversion Project	\$94,000	2011-12 2012-13	Completed	Yes	Dec 2012
Police					
Radio Infrastructure Replacement	\$130,000	2012-13	Active	Yes	June 2013
Public Works Engineering					
Atherton Channel Flood Abatement	\$500,000	2011-12 2012-13	Active	No	TBD
Bay Levee Project	\$300,000	Added Oct 2012	Active	No	TBD
Bedwell Bayfront Park Gas Collection System Improvements Study and Conceptual Design	\$80,000	2011-12	On Hold	No	
Beechwood School Property Sale	\$45,000	Added Feb 2008	Active	Yes	June 2013
Chrysler Pump Station Improvements	\$80,000	2012-13	Active	No	Dec 2013
Emergency Water Supply	\$4,196,218	2004-05 2011-12	Active	No	Dec 2014
Energy Audit of City Administration	\$40,000	2012-13	Active	No	Dec 2013

City of Menlo Park
Project Status Report

Updated: March 20, 2013

Project Name	Approved Budget	Fiscal Year Funded	Status Active/ Completed	Complete 2012/2013 (Yes/No)	March 2012 Anticipated Completion
Highway 84 Carbon Offset Project	\$350,000	Added March 2012	Unfunded	No	
LED Streetlight Retrofits 2012-13	\$49,629	Added Nov 2012	Active	Yes	June 2013
Middlefield Road Storm Drain	\$150,000	2008-09	Active	No	Oct 2013
Parking Plaza 7 Renovation Design and Construction	\$980,000	2010-11 2011-12	On Hold	No	
Police/City Service Cntr– Belle Haven	\$2,230,000	2002-03	On Hold	No	
Preliminary Design of Restroom Facilities at Jack Lyle Memorial Park and Willow Oaks Park	\$35,000	2008-09	On Hold	No	
Santa Cruz Avenue Sidewalk Improvements Design and Construction *	\$600,000	2009-10 2010-11	Starts July 2012	No	June 2014
Sharon Heights Pump Station Replacement Design and Construction	\$2,605,000	2008-09 2009-10	Active	No	Sept 2015
Sidewalk Repair Program 11-12	\$300,000	2011-12	Completed	Yes	Jan 2013
Sidewalk Repair Program 12-13	\$300,000	2012-13	Active	No	Nov 2013
Storm Drain Fee Study	\$75,000	2007-08	On Hold	No	
Storm Drain Improvements and Cleaning 12-13	\$160,000	2012-13	Active	No	Dec 2013
Street Resurfacing Project 11-12	\$5,720,000	2011-12	Active	No	Dec 2013
Street Resurfacing Project Design 12-13	\$225,000	2012-13	Active	Yes	June 2013
Street Resurfacing of Federal Aid Routes 11-12	\$575,000	Added Oct 2012	Active	No	Sept 2013
Trash Capture Device Installation	\$23,094	2010-11	Completed	Yes	Jan 2013
Utility Undergrounding Study of City Parking Plazas	\$100,000	2008-09	Active	No	Dec 2013
Water System Master Plan	\$300,000	Added Oct 2012	On Hold	No	
Water Main Replacement Design and Construction 2012-13	\$2,000,000	2012-13	Active	No	Dec 2013

City of Menlo Park
Project Status Report

Updated: March 20, 2013

Project Name	Approved Budget	Fiscal Year Funded	Status Active/ Completed	Complete 2012/2013 (Yes/No)	March 2012 Anticipated Completion
Community Development/Public Works- Environmental					
Sustainable Building Program	\$10,000 \$30,000	2008-09 2012-13	Phase 1 - Completed August 2011 Phase 2 - Active	No	Phase 2 to be completed June 2014
Public Works Maintenance					
Administration Building Emergency Generator	\$50,000	2011-12	Active	No	Oct 2013
Belle Haven Child Development Outdoor Play Space Remodel	\$75,000	2012-13	Active	Yes	June 2013
Belle Haven Pool Boiler/Pumps Upgrades	\$63,770	2011-12	Active	Yes	June 2013
City Buildings (Minor) 12-13	\$275,000	2012-13	Starts April 13	No	Sept 2013
Council Chambers Mics/Voting Equipment	\$60,000	2012-13	Active	No	Dec 2013
Downtown Irrigation Replacement	\$345,000	2010-11 2012-13	Active	Yes	June 2013
El Camino Real Tree Planting	\$200,000	2012-13	Active	No	Oct 2013
Hillview School Fields Renovation	\$500,000	2010-11	Active	Yes	April 2013
Park Improvements (Minor) 12-13	\$120,000	2012-13	Active	No	July 2013
Police Parking Lot Security	\$40,000	2012-13	Active	No	July 2013
Reservoir #1 & Reservoir #2 Mixers	\$200,000	2008-09	Active	No	Sept 2013
Reservoir Re-roofing	\$350,000	2009-10	Active	No	Oct 2013
Water Conservation Upgrades for City Facilities	\$35,000	2011-12	Active	No	Dec 2013
Public Works Transportation					
Alpine Road Bike Improvement Project	\$210,000	Added Oct 2012	Active	Yes	May 2013
Complete Streets Ordinance Study	\$100,000	2012-13	Completed	No	Jan 2013
High Speed Rail Coordination*	\$290,000	2009-10	On Going	No	

City of Menlo Park
Project Status Report

Updated: March 20, 2013

Project Name	Approved Budget	Fiscal Year Funded	Status Active/ Completed	Complete 2012/2013 (Yes/No)	March 2012 Anticipated Completion
Linfield/Middlefield Crosswalk	\$50,000	2010-11	Active	Yes	April 2013
Middle Avenue Bike Lane Feasibility Study	\$25,000	2009-10	Active	No	Dec 2013
Oak Grove/Merrill Intersection Lighted Crosswalk	\$55,000	2011-12	Active	No	Aug 2013
Residential Shuttle Service to the Menlo Park Caltrain Station Study	\$35,000	2008-09	On Hold	No	
Safe Routes to Encinal School Plan Implementation	\$55,000	2008-09	On Hold	No	
Safe Routes to Hillview School-Construction	\$143,000	Added Feb 2008	Active	Yes	April 2013
Safe Routes to Oak Knoll School Design	\$40,000	2011-12	Active	Yes	May 2013
Safe Routes to Valparaiso Avenue Plan	\$80,000	2009-10	Active	Yes	May 2013
Sand Hill Road between Addison-Wesley and I-280 Including Bicycling Study	\$50,000	2007-08	On Hold	No	
Sand Hill Road/Branner Signal Master Arm Construction	\$75,000	2010-11	Active	Yes	June 2013
Santa Cruz Avenue Sidewalk Preliminary Design Phase	\$110,000	2008-09	Active	Yes	June 2013
Sidewalk Master Plan Implementation	\$100,000	2012-13	Active	No	April 2014
Willow Road Signal Interconnect	\$300,000	2011-12	Active	No	July 2013
Willow Road Bayfront Expressway	\$900,000	2012-13	Active	No	Oct 2013

* Includes Funding from multiple fiscal years

TBD To Be Determined - Project schedule depends on the outcome of current tasks

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AMERICAN RED CROSS MONTH 2013

Whereas, the American Red Cross has touched many lives in Menlo Park, as well as across the country and around the world; and

Whereas, during American Red Cross Month, we thank those who contribute to the mission of the Red Cross, whether through time, money or blood, and we invite others to support the Red Cross in helping people in need down the street, across the country, and around the world; and

Whereas, the American Red Cross is synonymous with helping people, and has been doing so for more than 130 years. Throughout the past year, the American Red Cross launched hundreds of disaster relief operations in the United States to help people affected by fires, floods, hurricanes, and tornadoes. The American Red Cross Bay Area Chapter deployed more than 300 disaster workers to the relief effort following Superstorm Sandy, which is the most deployments sent from a non-affected region; and

Whereas, in Menlo Park, the American Red Cross Bay Area Chapter works tirelessly through its nearly 1,000 volunteers to support us when disaster strikes, when someone needs lifesaving blood, or the comfort of a helping hand. It provides 24-hour support to members of the military, veterans, and their families, and provides training in CPR, aquatics safety, and first aid; and

Whereas, in the past year, the American Red Cross Bay Area Chapter helped more than 1,066 people with temporary housing, clothing, food, and mental health counseling during 392 local disasters. The chapter trained more than 50,843 people in lifesaving CPR, first aid, water safety, and preparedness education. The Bay Area Chapter provided emergency communications, counseling, financial assistance, and a caring presence to more than 770 local military families. The chapter supported 28 Bay Area hospitals, providing them with nearly 158,717 units of red cells, platelets, and plasma to patients in need; and

Whereas, for nearly 100 years, United States presidents have called on the American people to support the Red Cross and its humanitarian mission. Our community depends on the American Red Cross and because it is not a government agency, the Red Cross depends on support from the public to continue its humanitarian work. This is especially important in these challenging economic times, which impact the Red Cross and many people in our community and across the nation.

NOW, THEREFORE, BE IT RESOLVED that I, Peter Ohtaki, Mayor of Menlo Park, do hereby proclaim March 2013 as American Red Cross Month. I encourage all Americans to support this organization and its noble humanitarian mission.

Peter Ohtaki, Mayor

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: March 26, 2013

Staff Report #: 13-045

Agenda Item #: D-1

CONSENT CALENDAR: Adopt a Resolution Approving the Final Map for the Artisan Subdivision Located at 389 El Camino Real; Accepting Dedication of a Storm Drain Easement, a Pedestrian Access Easement and an Emergency Vehicle Access Easement; Approving the Abandonment of Alto Lane and the Existing Storm Drain Easements; Authorizing the City Clerk to Sign the Final Map; and Authorizing the City Manager to Sign the Subdivision Improvement Agreement

RECOMMENDATION

Staff recommends that the City Council adopt a resolution (Attachment A) approving the final map for the Artisan Subdivision located at 389 El Camino Real; accepting dedication of a storm drain easement, a pedestrian easement, and an emergency vehicle access easement; approving the abandonment of Alto Lane and the existing storm drain easements; authorizing the City Clerk to sign the final map; and authorizing the City Manager to sign the subdivision agreement.

BACKGROUND

On July 31, 2012, the City Council approved a tentative map for the property at 389 El Camino Real to merge seven lots into two lots, abandon the public street easement for Alto Lane, and create 26 residential condominium units.

This project consists of 26 residential condominium units and common areas on a 1.23-acre site. The seven legal parcels that comprise the project site are to be merged to form two new parcels. The larger of the two parcels is approximately 0.98 acres while the smaller parcel is approximately 0.25 acres.

ANALYSIS

Final Map

The applicant, D.R. Horton BAY Inc., has submitted a Final Map for the proposed subdivision. The Final Map (Attachment B) is in substantial compliance with the tentative map approved by the City Council on July 31, 2012, and all conditions required

for approval of the Final Map have been met. The conditions of approval for the Final Map as taken from the approved planning permit are as follows:

Condition #14: Prior to recordation of the Final Map, the existing structures shall be demolished after obtaining a demolition permit.

The applicant has obtained a demolition permit and demolished the existing structures.

Condition #15: Concurrent with the application for a Final Map, the applicant shall submit Covenants, Conditions and Restrictions (CC&R's) for the approval of the City Engineer and the City Attorney. The Final Map and the CC&R's shall be recorded concurrently and shall include administration of the Transportation Demand Management (TDM) Program. The TDM Program shall be consistent with the City of Menlo Park's Transportation Impact Analysis Guidelines.

The applicant has submitted the CC&R's and Condominium Plans for the review and approval of the City Engineer and City Attorney. The administration of the TDM Program was included in the CC&R's. The Final Map and the CC&R's and Condominium Plans will be recorded concurrently.

Condition #16: Concurrent with the application submittal for the Final Map, the applicant shall submit a Grading and Drainage Plan, including an Erosion and Sedimentation Control Plan, for review and approval of the City Engineer. The Grading and Drainage Plan shall be prepared based on the City's Grading and Drainage Plan Guidelines and Checklist and the Project Applicant Checklist for the National Pollution Discharge Elimination System (NPDES) Permit Requirements.

The Grading and Drainage Plan, including an Erosion and Sedimentation Control Plan, has been reviewed and approved by the City Engineer.

Condition #17: The application submittal for the Final Map shall include the following abandonments and dedications: abandonment of Alto Lane; abandonment of the existing storm drain easement; dedicate to the City the new utility easements, storm drain easements; and the Pedestrian Access Easement along El Camino Real.

The Final Map includes the abandonment of Alto Lane and the existing storm drain easement and the dedication to the City a new storm drain easement, an Emergency Vehicle Access Easement and a Pedestrian Access Easement along El Camino Real.

Condition #18: As part of a complete Final Map application, the applicant shall submit a complete application for a pedestrian access easement for the portion of the proposed sidewalk along El Camino Real located on private property, subject to the review of the Planning and Engineering Divisions. Concurrent with Final Map approval, the easement

shall be approved by the City Council and documentation showing proof of recordation with the San Mateo County Recorder's Office shall be provided.

The Final Map includes a proposed dedication to the City of a new Pedestrian Access Easement for the portion of the proposed sidewalk along El Camino Real located on private property. When the Final Map is approved by the City Council and recorded with the San Mateo County Recorder's Office, the Pedestrian Access Easement shown on the Final Map is also approved by the City Council and recorded with the County.

Condition #19: Prior to recordation of the Final Map, the applicant shall install new improvements as shown on the project plans per City and Caltrans standards along the entire property frontage subject to the review and approval of the Engineering Division. If determined appropriate and subject to the approval of the Engineering Division, the applicant may provide a bond for the completion of the work subsequent to the recordation of the Final Map.

The project plans have been approved by the Engineering Division, and the applicant has been issued an Encroachment permit by Caltrans. The applicant has entered into a Subdivision Improvement Agreement with the City and provided a bond for the completion of the work subsequent to the recordation of the Final Map. The Subdivision Improvement Agreement is a contract between the applicant and the City that guarantees the construction of all public street improvements and requires a completion bond as a financial guarantee that all work will be completed. The Subdivision Improvement Agreement and Bonds are shown in Attachment C.

Condition #21: Prior to recordation of the Final Map, the applicant shall install new utilities to the point of service subject to review and approval of the City Engineer. All electric and communication lines servicing the project shall be placed underground. Each lot/unit shall have separate utility service connections. If determined appropriate and subject to the approval of the Engineering Division, the applicant may provide a bond for the completion of the work subsequent to the recordation of the Final Map.

The applicant has provided a bond for the completion of the work subsequent to the recordation of the Final Map.

Condition #22: Prior to the recordation of the Final Map, the applicant shall enter into a Subdivision Improvement Agreement and provide a bond for the completion of site improvements, subject to the approval of the Engineering Division.

The project plans have been approved by the Engineering Division. The applicant has entered into a Subdivision Improvement Agreement with the City and provided a bond for the completion of the work subsequent to the recordation of the Final Map. The Subdivision Improvement Agreement is a contract between the applicant and the City that guarantees the construction of

all site improvements and requires a completion bond as a financial guarantee that all work will be completed. The Subdivision Improvement Agreement and Bonds are shown in Attachment C.

Condition #23: Prior to recordation of the Final Map, the applicant shall pay any applicable recreation fees (in lieu of dedication) per the direction of the City Engineer in compliance with Section 15.16.020 of the Subdivision Ordinance. The estimated recreation in-lieu fee is \$704,000 (based on \$4 million value of acreage).

The applicant will pay \$704,000 recreation-in-lieu fee prior to recordation of the Final Map.

The applicant has met the conditions required for approval of the Final Map.

Abandonment of Alto Lane

The proposed development includes the abandonment of the public street easement for Alto Lane. As part of the proposed street abandonment, the existing storm drain easement that runs through Alto Lane and extends the length of the project site would also be abandoned, and a new realigned storm drain easement will be created with the Final Map.

The abandonment of Alto Lane and the existing storm drain easement are necessary for the development of the proposed project, as the function of the proposed site layout and circulation are conditional upon the abandonment of these easements.

The Engineering Division has received letters from all of the affected utility agencies indicating that they have no objection to the abandonment of Alto Lane.

Pedestrian Access Easement along El Camino Real

The proposed development would require the dedication of a 3.7 foot wide Pedestrian Access Easement along the site's El Camino Real frontage. The Pedestrian Access Easement would accommodate the proposed six foot wide sidewalk by providing public access over this portion of the project site because there is insufficient width in the existing right-of-way.

IMPACT ON CITY RESOURCES

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

POLICY ISSUES

There are no specific policy issues with this action.

ENVIRONMENTAL REVIEW

Environmental review is not required for this action. A Final EIR was prepared for the project and certified by the City Council on July 31, 2012.

Signature on file

Roger Storz
Senior Civil Engineer

Signature on file

Fernando Bravo
Engineering Services Manger

PUBLIC NOTICE

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

ATTACHMENTS

- A. Resolution
- B. Final Map
- C. Subdivision Improvement Agreement and Bonds

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING THE FINAL MAP FOR ARTISAN SUBDIVISION LOCATED AT 389 EL CAMINO REAL; ACCEPTING A STORM DRAIN EASEMENT, A PEDESTRIAN ACCESS EASEMENT AND AN EMERGENCY VEHICLE ACCESS EASEMENT; APPROVING THE ABANDONMENT OF ALTO LANE AND THE EXISTING STORM DRAIN EASEMENT; AUTHORIZE THE CITY CLERK TO SIGN THE FINAL MAP; AND AUTHORIZE THE CITY MANAGER TO SIGN THE SUBDIVISION IMPROVEMENT AGREEMENT

WHEREAS, the Final Map for Artisan Subdivision located at 389 El Camino Real shows the dedication of a Storm Drain Easement, a Pedestrian Easement and an Emergency Vehicle Access Easement; and

WHEREAS, the proposed project requires the abandonment of Alto Lane and the existing storm drain easement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby approve the Final Map for the Artisan Subdivision at 389 El Camino Real; and

BE IT FURTHER RESOLVED that said Council hereby accepts the required Storm Drain Easement, Pedestrian Access Easement and Emergency Vehicle Access Easement as shown on the Final Map; and

BE IT FURTHER RESOLVED that said Council hereby approves the proposed abandonment of Alto Lane and the existing storm drain easement; and

BE IT FURTHER RESOLVED that said Council authorizes the City Clerk to sign the Final Map and authorizes the City Manager to sign the Subdivision Improvement Agreement.

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

Margaret S. Roberts, MMC
City Clerk

OWNER'S STATEMENT

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

WE HEREBY RESERVE THOSE PRIVATE ACCESS, DRAINAGE, AND UTILITY EASEMENTS SET FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED CONCURRENTLY HEREWITH, AS AMENDED FROM TIME TO TIME.

WE HEREBY DEDICATE THE FOLLOWING EASEMENTS FOR PUBLIC USE:

(1) THOSE CERTAIN STRIPS OR AREAS DESIGNATED HEREON AS "S.D.E." (STORM DRAIN EASEMENT) AS SHOWN ON THIS MAP. SAID "S.D.E." SHALL BE KEPT FREE AND CLEAR OF BUILDINGS AND STRUCTURES OF ANY KIND EXCEPT PUBLIC SERVICE STRUCTURES, IRRIGATION SYSTEMS AND APPURTENANCES THERETO, LAWFUL FENCES AND ALL LAWFUL UNSUPPORTED ROOF OVERHANGS.

(2) THOSE CERTAIN STRIPS OR AREAS DESIGNATED HEREON AS "E.V.A.E." (EMERGENCY VEHICLE ACCESS EASEMENT) AS SHOWN ON THIS MAP. SAID "E.V.A.E." SHALL BE KEPT FREE AND CLEAR OF BUILDINGS AND STRUCTURES, EXCEPT ALL LAWFUL UNSUPPORTED ROOF OVERHANGS.

(3) THOSE CERTAIN STRIPS OR AREAS DESIGNATED HEREON AS "PEDESTRIAN EASEMENT" AS SHOWN ON THIS MAP. SAID "PEDESTRIAN EASEMENT" SHALL BE KEPT FREE AND CLEAR OF BUILDINGS AND STRUCTURES, EXCEPT ALL LAWFUL UNSUPPORTED ROOF OVERHANGS.

AS OWNER: D.R. HORTON BAY, INC., A DELAWARE CORPORATION

BY: DEAN K. MILLS, VICE-PRESIDENT FORWARD PLANNING

OWNER'S ACKNOWLEDGMENT

STATE OF CALIFORNIA COUNTY OF _____

ON _____ BEFORE ME, _____ A NOTARY PUBLIC, PERSONALLY APPEARED

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

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

WITNESS MY HAND:

SIGNATURE _____

NAME (TYPED OR PRINTED), NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE.

PRINCIPAL COUNTY OF BUSINESS: _____

COMMISSION EXPIRES: _____

COMMISSION # OF NOTARY: _____

SOILS REPORT STATEMENT

A SOILS REPORT TITLED "GEOTECHNICAL INVESTIGATION ON PROPOSED RESIDENTIAL DEVELOPMENT, 389 EL CAMINO REAL, MENLO PARK, CALIFORNIA, FOR D.R. HORTON BAY AREA, INC.", AND DATED SEPTEMBER 26, 2012, PREPARED BY T. MAKDISSY CONSULTING, INC. FOR THIS SUBDIVISION, HAS BEEN FILED WITH THE CITY OF MENLO PARK PUBLIC WORKS DEPARTMENT.

CITY SURVEYOR'S STATEMENT

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

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

CITY CLERK'S STATEMENT

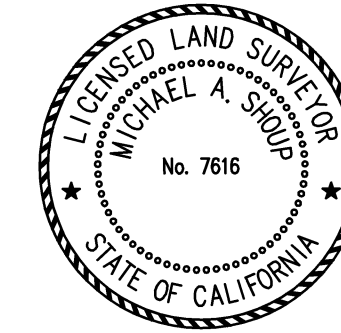
I, MARGARET S. ROBERTS, CITY CLERK AND EX-OFFICIO CLERK OF THE CITY COUNCIL OF MENLO PARK, STATE OF CALIFORNIA, HEREBY CERTIFY THAT SAID COUNCIL BY RESOLUTION ADOPTED AT A REGULAR MEETING ON THE _____ DAY OF _____ 2013 DID (1) APPROVE THE WITHIN MAP AND SUBDIVISION, (2) APPROVE THE ABANDONMENT OF ALTO LANE NOT SHOWN ON THIS MAP, (3) APPROVE THE ABANDONMENT OF THE EXISTING STORM DRAIN EASEMENTS NOT SHOWN ON THIS MAP, THAT WERE RECORDED IN 503 OR 385 AND 512 OR 83; AND (4) ACCEPT ON BEHALF OF THE PUBLIC, ALL EASEMENTS AS OFFERED FOR DEDICATION FOR PUBLIC USE.

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

SURVEYOR'S STATEMENT

I HEREBY STATE THAT THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN ACCORDANCE WITH THE REQUIREMENTS OF THE "SUBDIVISION MAP ACT" AND LOCAL ORDINANCES AT THE REQUEST OF D.R. HORTON, IN SEPTEMBER 2012. THAT THE SURVEY IS TRUE AND COMPLETE AS SHOWN AND THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED AND SET MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

DATED: _____ MICHAEL A. SHOUP, L.S. NO. 7616



CITY ENGINEER'S STATEMENT

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

DATED: _____ FERNANDO G. BRAVO, R.C.E. 64366 CITY ENGINEER CITY OF MENLO PARK

COUNTY RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____ 2013, AT _____ .M IN BOOK _____ OF MAPS, AT PAGES(S) _____, AT THE REQUEST OF FIRST AMERICAN TITLE COMPANY. MARK CHURCH, SAN MATEO COUNTY RECORDER FILE NO. _____ FEE _____ DEPUTY RECORDER

FINAL MAP ARTISAN

FOR CONDOMINIUM PURPOSES

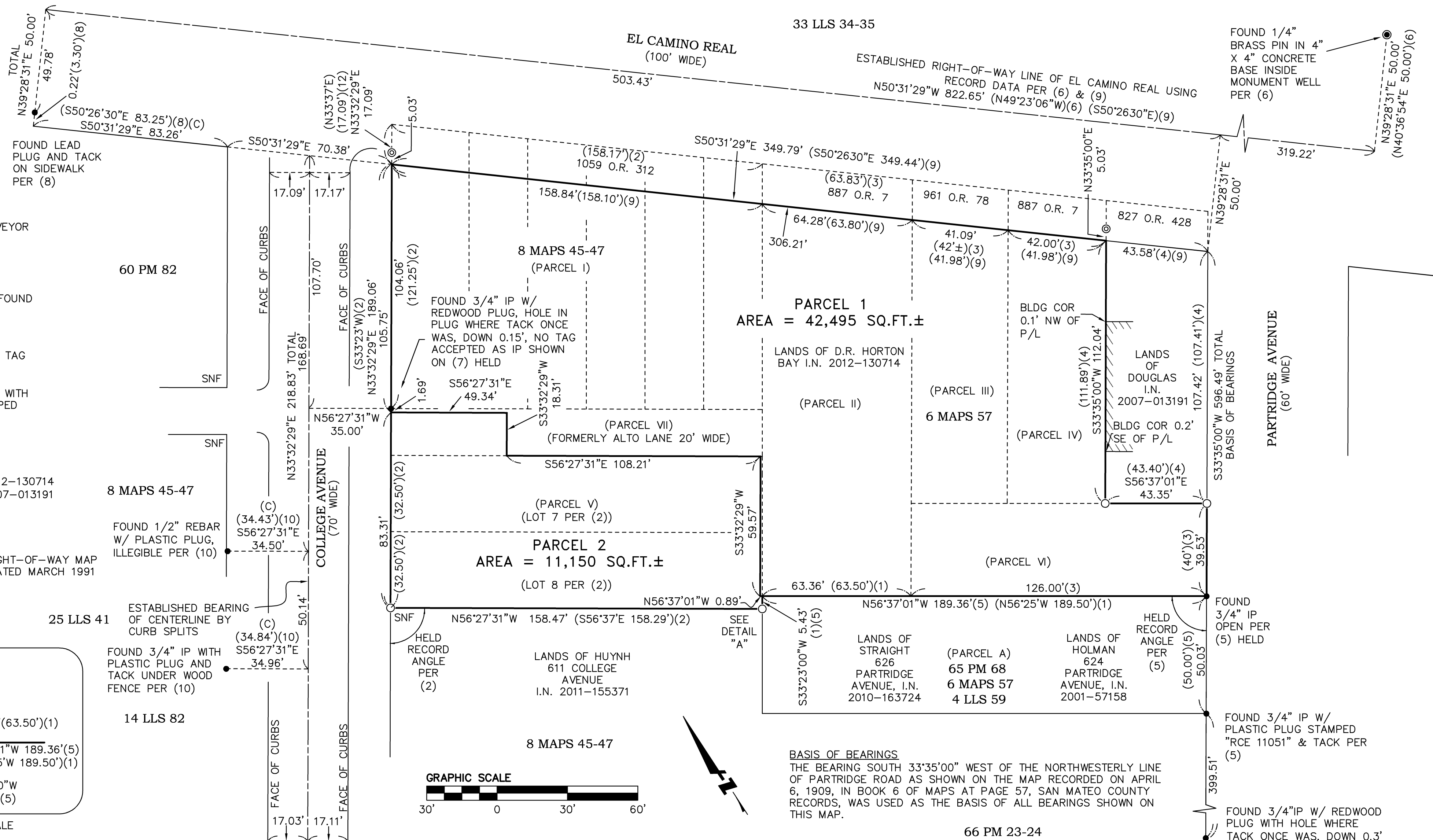
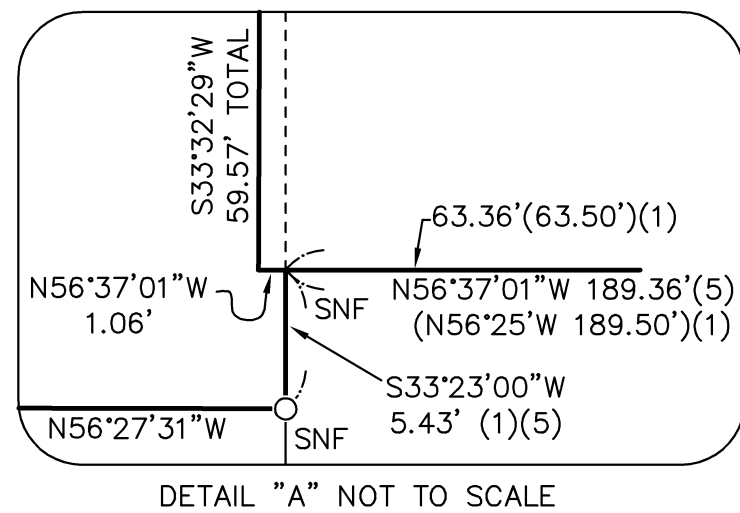
BEING A MERGER AND RESUBDIVISION OF THE LAND DESCRIBED IN THAT CERTAIN DEED RECORDED ON SEPTEMBER 11, 2012 AS DOCUMENT NUMBER 2012-130714, OFFICIAL RECORDS, SAN MATEO COUNTY CONSISTING OF 3 SHEETS CITY OF MENLO PARK, SAN MATEO COUNTY, CALIFORNIA MARCH 2013



LEGEND
 BLDG BUILDING
 (C) CALCULATED
 COR CORNER
 IP IRON PIPE
 I.N. INSTRUMENT NUMBER
 LLS LICENSED LAND SURVEYOR
 O.R. OFFICIAL RECORDS
 NW NORTHWEST
 PM PARCEL MAP
 P/L PROPERTY LINE
 SE SOUTHEAST
 SNF SEARCHED NOTHING FOUND
 W/ WITH

⊙ SET BRASS PIN AND TAG STAMPED "LS 7616"
 ○ SET 3/4" IRON PIPE WITH PLASTIC PLUG STAMPED "LS 7616"

REFERENCES
 (1) 6 MAPS 57
 (2) 8 MAPS 46
 (3) INSTRUMENT NO. 2012-130714
 (4) INSTRUMENT NO. 2007-013191
 (5) 65 PM 68
 (6) 33 LLS 34-35
 (7) 14 LLS 82
 (8) 60 PM 82
 (9) STATE ROUTE 82 RIGHT-OF-WAY MAP SHEET R-506.23, DATED MARCH 1991
 (10) 25 LLS 41
 (11) 66 PM 23-24
 (12) 1059 O.R. 312



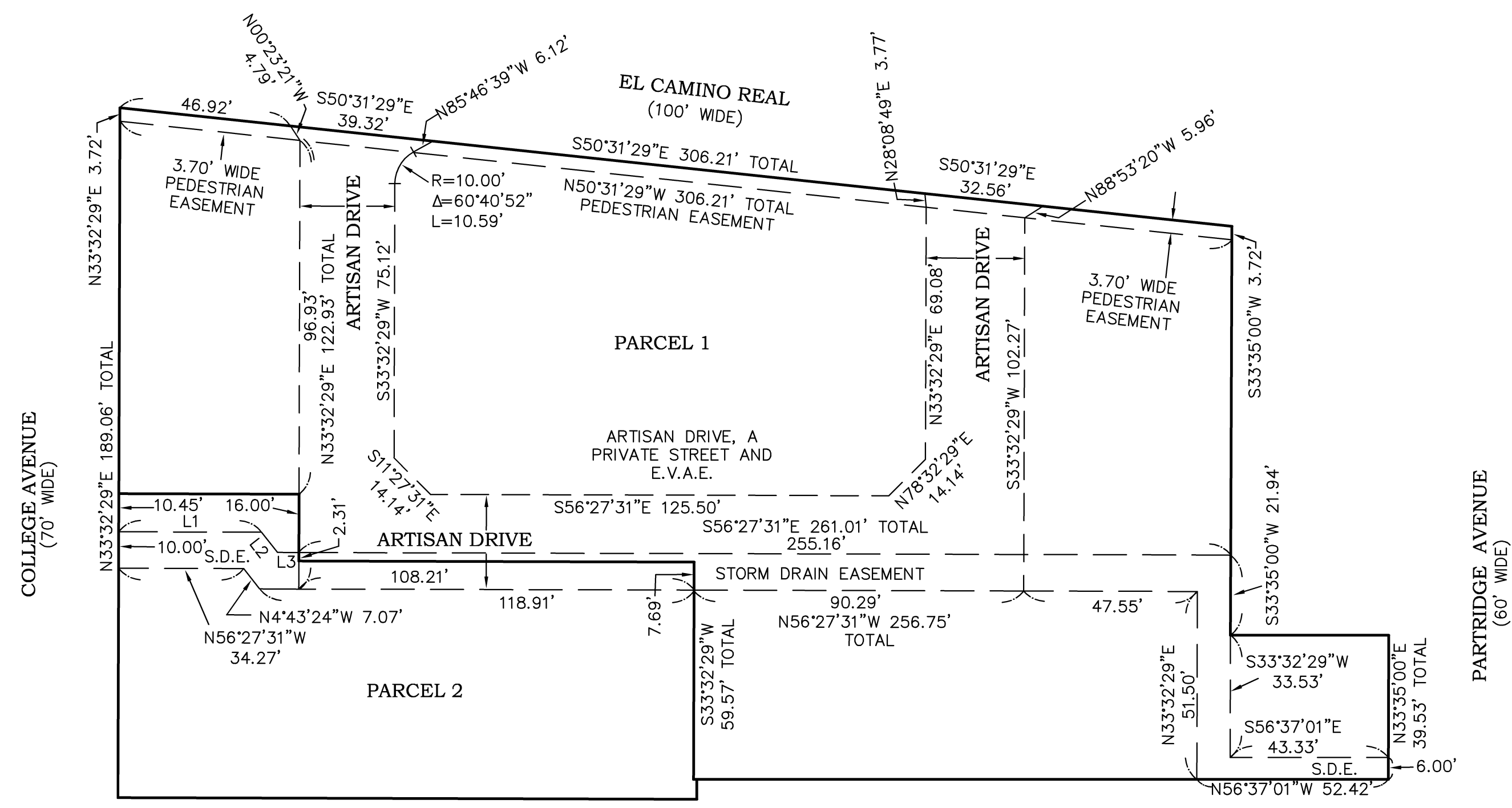
NOTE:
 1. PARCEL 1 TO BE DEVELOPED WITH 22 CONDOMINIUM UNITS AND COMMON AREAS.
 2. PARCEL 2 TO BE DEVELOPED WITH 4 CONDOMINIUM UNITS AND COMMON AREAS.
 3. THIS SUBDIVISION IS A CONDOMINIUM PROJECT AS DEFINED IN SECTION 1351 OF THE CALIFORNIA CIVIL CODE,
 4. EASEMENTS ARE SHOWN ON SHEET 3.
 5. THE EXISTING STORM DRAIN EASEMENTS NOT SHOWN ON THIS MAP, THAT WERE RECORDED ON DECEMBER 10, 1930, IN BOOK 503 OF OFFICIAL RECORDS AT PAGE 385 AND JANUARY 8, 1931, IN BOOK 512 OF OFFICIAL RECORDS AT PAGE 83 ARE TO BE ABANDONED BY THE RECORDING OF THIS MAP.

**FINAL MAP
 ARTISAN**
 FOR CONDOMINIUM PURPOSES

BEING A MERGER AND RESUBDIVISION OF THE LAND DESCRIBED IN THAT CERTAIN DEED RECORDED ON SEPTEMBER 11, 2012 AS DOCUMENT NUMBER 2012-130714, OFFICIAL RECORDS, SAN MATEO COUNTY CONSISTING OF 3 SHEETS.
 CITY OF MENLO PARK, SAN MATEO COUNTY, CALIFORNIA

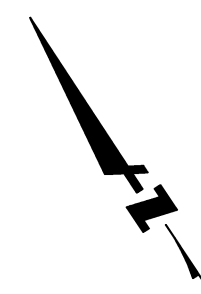
SCALE 1" = 30' MARCH 2013

BKF ENGINEERS
 255 SHORELINE DRIVE, SUITE 200
 REDWOOD CITY, CA 94065
 ENGINEERS | SURVEYORS | PLANNERS



LINE TABLE		
LINE	BEARING	LENGTH
L1	S 56°27'31" E	39.11'
L2	S 04°43'24" E	7.07'
L3	S 56°27'31" E	5.85'

LEGEND
 E.V.A.E. EMERGENCY VEHICLE ACCESS EASEMENT
 S.D.E. STORM DRAIN EASEMENT



FINAL MAP
ARTISAN
 FOR CONDOMINIUM PURPOSES

BEING A MERGER AND RESUBDIVISION OF THE LAND DESCRIBED IN THAT CERTAIN DEED RECORDED ON SEPTEMBER 11, 2012 AS DOCUMENT NUMBER 2012-130714, OFFICIAL RECORDS, SAN MATEO COUNTY CONSISTING OF 3 SHEETS. CITY OF MENLO PARK, SAN MATEO COUNTY, CALIFORNIA

SCALE 1"= 30' MARCH 2013

BKF B K F E N G I N E E R S
 255 SHORELINE DRIVE, SUITE 200
 REDWOOD CITY, CA 94065
 ENGINEERS / SURVEYORS / PLANNERS

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AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS

THIS AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS (this "Agreement"), made and entered into, in duplicate, this 25th day of February, 2013, by and between D.R. Horton BAY, Inc., a Delaware corporation, hereinafter referred to as "Applicant" and CITY OF MENLO PARK, a municipal corporation, situated in the County of San Mateo, State of California, hereinafter referred to as "City".

WITNESSETH:

WHEREAS, on July 31, 2012, the City conditionally approved Applicant's request for a 26 unit condominium subdivision project at the location shown on Exhibit A attached hereto and made a part hereof entitled, "Project Location Map"; and

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

NOW, THEREFORE, IT IS AGREED as follows:

1. Applicant agrees to furnish at his/her own expense all the labor, material, equipment and inspection services necessary to complete, within eighteen (18) months from the date of this agreement, all Development Improvements as set forth and described in the Plans and Specifications prepared for said improvements, in compliance with City Standards and to the satisfaction of the City Engineer.
2. Applicant further agrees to install where required a domestic water supply and fire protection system, and a sanitary sewage system, in compliance with the regulations and requirements of the respective utility or agency.
3. Applicant further agrees, while engaged in the work provided for in this Agreement, to place and maintain suitable safeguards sufficient to prevent injury to any persons and to indemnify, defend and save harmless the City, its officers, representatives, and employees from and against any and all claims for loss, injury or damage (the "claims") resulting from the prosecution of said work except to the extent the Claim arises out of the negligence or willful misconduct of the City. Applicant agrees to maintain comprehensive commercial general liability and property damage insurance naming the City, its officers, agents, and employees as additional insured in a combined single limit of \$1,000,000 for the death and injury of any persons in any one occurrence; and for property damage in any one occurrence. A certificate of said insurance policy shall be filed with the City.
4. Applicant further agrees, contemporaneously with the execution of this Agreement, to file with the City a faithful performance surety bond or other guarantee as reasonably approved by the City, in a sum equal to the City Engineer's estimated value of the total cost of said improvements, including engineering and contingencies as set forth on Exhibit B attached hereto and made a part herein, entitled "Engineer's Cost Estimate". Said surety bond shall require the faithful performance of the terms and conditions of this Agreement; and shall be in a form satisfactory to the City Attorney.

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

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

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

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

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

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


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

APPLICANT:

CITY:

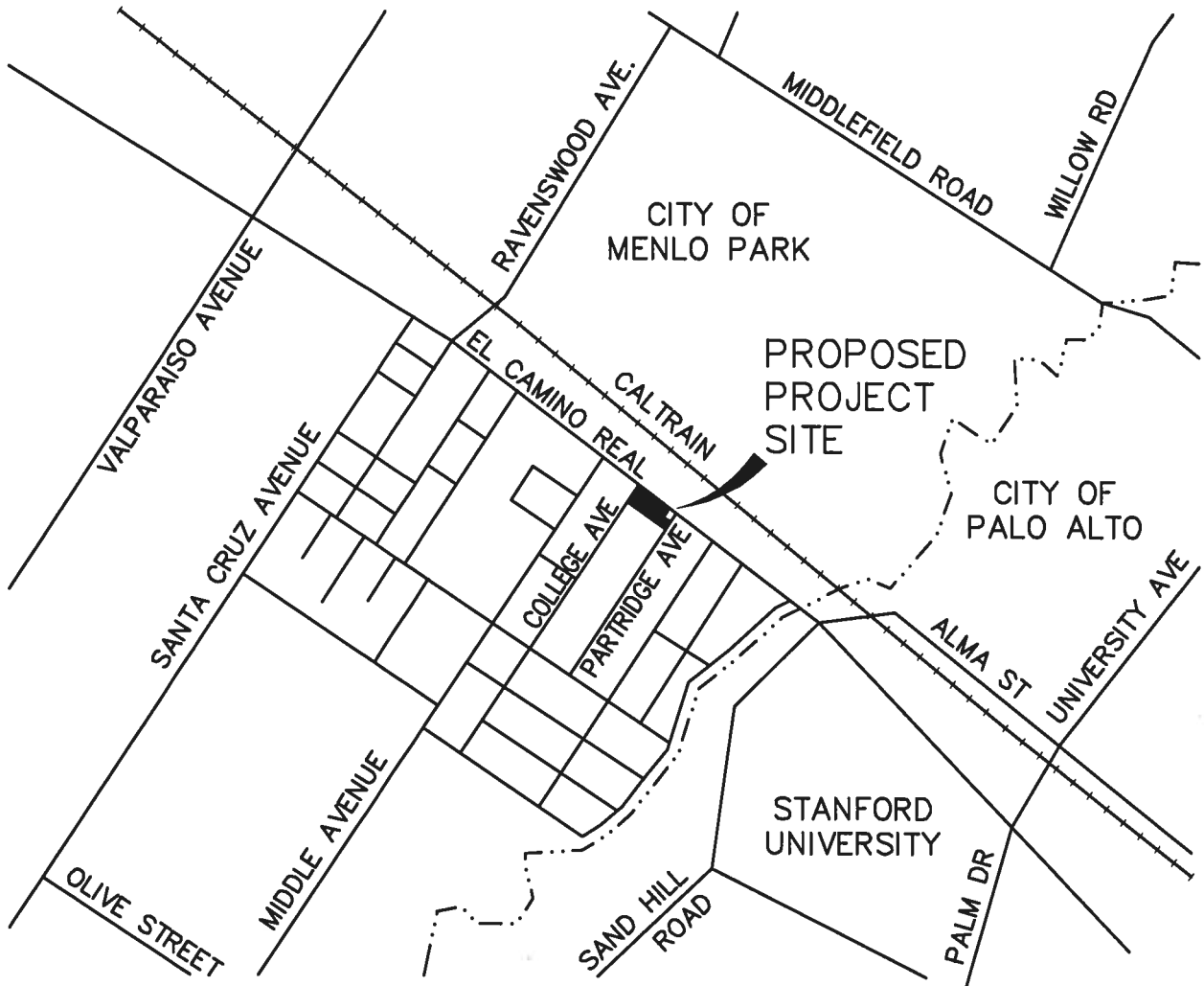
D.R. Horton BAY Inc., a Delaware corporation

CITY OF MENLO PARK, a Municipal Corporation

By:  _____
Dean K. Mills
Vice President

By: _____
Alex D. McIntyre
City Manager

EXHIBIT A
PROJECT LOCATION MAP




BKF
 ENGINEERS/SURVEYORS/PLANNERS
 255 SHORELINE DRIVE SUITE 200
 REDWOOD CITY, CA 94065
 650/482-6300
 650/482-6399 (FAX)

EXHIBIT A
ARTISAN - 389 EL CAMINO REAL
PROJECT LOCATION MAP

Job No. 20060038-11 Date 02/22/13 Sheet 1 of 1

DRAWING NAME: J:\Eng08\080038\dwg-DR Horton\Exhibits\A - Agreement Exhibit.dwg
 PLOT DATE: 02-22-13 PLOTTED BY: mcal

EXHIBIT B
ENGINEER'S COST ESTIMATE

BKF Engineers

255 Shoreline Drive, Suite 200
Redwood City, California 94065

**CIVIL ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COSTS
ARTISAN - PUBLIC IMPROVEMENTS
MENLO PARK, CALIFORNIA**

ITEM DESCRIPTION	AMOUNT
A. SITE WORK	\$20,710
B. SURFACE/PAVING	\$45,430
C. UTILITIES	\$69,580
	<hr/>
SUBTOTAL =	\$135,720
15% CONSTRUCTION CONTINGENCY =	\$20,360
TOTAL ESTIMATED COST =	<hr/> <hr/> \$156,080
	<hr/>
PLAN CHECK FEE (\$700 + 3%)	\$5,382

Notes:

1. All cost figures are given as estimates only. Actual cost will be dependent on the cost figures at bidding time; the general market situation, contractor's work load, seasonal factor, labor and cost, etc. This engineering
2. This engineer's opinion is based on the Public Improvement Plans, prepared by BKF dated January 28, 2013.
3. This engineer's opinion does not include any agency fees.
4. This engineer's opinion does not include any costs associated with irrigation, street trees, and fencing.
5. This engineer's opinion does not assume a swelling factor for rough grading amount.



BKF Job No.: 20060038-11
Estimate Date: 02/19/2013

BKF Engineers255 Shoreline Drive, Suite 200
Redwood City, California 94065

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>QTY</u>	<u>UNITS</u>	<u>\$/UNIT</u>	<u>AMOUNT</u>
A. SITE WORK					
1)	Demolition and Site Prep	1	LS	\$8,000.00	\$8,000
2)	Erosion Control	1	LS	\$2,500.00	\$2,500
3)	Landscaping	1,738	SF	\$3.00	\$5,210
4)	Signing and Striping	1	LS	\$5,000.00	\$5,000
SUBTOTAL =					\$20,710
B. SURFACE/PAVING					
1)	AC Paving (3"AC/10"AB)	1,114	SF	\$4.00	\$4,460
2)	Concrete Sidewalk	2,720	SF	\$5.00	\$13,600
3)	Handicap Ramp - Case A	1	EA	\$1,200.00	\$1,200
4)	Porous Pavement - Calstone Pavers	200	SF	\$10.00	\$2,000
6)	6" Curb & Gutter	557	LF	\$24.00	\$13,370
7)	Caltrans Driveway (w/ Reinforce Concrete)	2	EA	\$3,600.00	\$7,200
8)	Menlo Park Residential Driveway	2	EA	\$1,800.00	\$3,600
SUBTOTAL =					\$45,430
C. UTILITIES					
1)	12" RCP	12	LF	\$50.00	\$600
2)	24" RCP	363	LF	\$75.00	\$27,230
3)	Curb Inlet	2	EA	\$3,500.00	\$7,000
4)	Flap Gate	1	EA	\$500.00	\$500
5)	Storm Drain Drop Inlet	1	EA	\$2,500.00	\$2,500
6)	Storm Drain Manhole	4	EA	\$3,000.00	\$12,000
7)	Connect to Existing Structure	1	EA	\$1,250.00	\$1,250
8)	Sanitary Sewer Manhole	1	EA	\$5,000.00	\$5,000
9)	6"PVC C900 Sewer Pipe	20	LF	\$50.00	\$1,000
9)	Fire Hydrant (new)	1	EA	\$3,000.00	\$3,000
10)	Fire Hydrant (relocate)	1	EA	\$1,500.00	\$1,500
11)	Connect to Water Main	4	EA	\$2,000.00	\$8,000
SUBTOTAL =					\$69,580

BKF Job No.: 20060038-11
Estimate Date: 02/19/2013

Bond No. 0174823

Premium \$663.00

“Artisan”

FAITHFUL PERFORMANCE BOND

WHEREAS, the CITY OF MENLO PARK, a municipal corporation of the State of California ("City"), and **D.R. Horton BAY Inc., a Delaware corporation**, as principal ("Principal") have entered into an agreement entitled **AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS**, incorporated herein by reference and referred to as the "Contract," which requires Principal to install and complete certain designated public improvements; and,

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

NOW, THEREFORE, we the Principal and **Berkley Regional Insurance Company**, a corporation duly authorized and admitted to transact business and issue surety bonds in the State of California ("Surety"), are held firmly bound unto the City in the sum of **One Hundred and Fifty Six Thousand Eighty and 00/100 Dollars (\$156,080.00)**, for the payment of which sum well and truly to be made, we the Principal and Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally.

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

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

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

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

IN WITNESS WHEREOF, this instrument has been duly executed by authorized representatives of the Principal and Surety. SIGNED AND SEALED on **February 22, 2013**.

PRINCIPAL:

D.R. Horton BAY, Inc., a Delaware corporation

(Principal name)

SURETY:

Berkeley Regional Insurance Company

(Seal) (Surety name)

BY: 
(Signature)

BY: 
(Signature)

DEAN K. MILLS, ASST. VICE PRESIDENT
(Print name and title)

Margaret A. Ginem, Attorney-in-Fact
(Print name and title)

Principal address and telephone:

6630 Owens Drive
Pleasanton, CA 94588
Phone: (925) 225-7445

Surety address and telephone:

5900 Windward Parkway, Ste. 335
Alpharetta, GA 30005
Phone: (678) 624-1818 X5067

C/O WILLIS OF FLORIDA
3000 BAYPORT DRIVE, #300
TAMPA, FL 33607
INQUIRIES: (813) 281-2095

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

ACKNOWLEDGEMENT BY SURETY

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH }

On this 22nd day of February, 2013 before me, personally came **Margaret A. Ginem**, who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within Instrument as Attorney-In-Fact on behalf of **Berkley Regional Insurance Company**, and acknowledged to me that he/she executed the within instrument on behalf of said surety company and was duly authorized to do.

In witness whereof, I have signed and affixed my official seal on the date in this certificate first above written.

Signature


Marianella Barnola

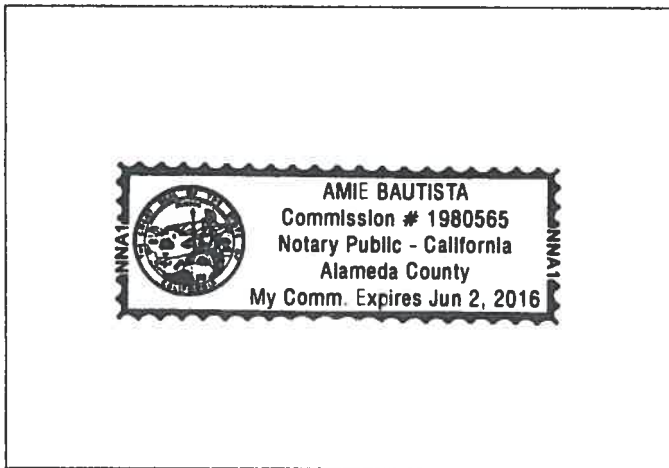


This area for Official Notarial Seal

California All-Purpose Acknowledgement

State of California }
County of Alameda

On February 25, 2013 before me, Amie Bautista, a Notary Public
personally appeared Dean K. Mills



Notary Public Seal

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Amie Bautista

Notary Public Signature

OPTIONAL

Description of Attached Document

Title or Type of Document:

Document Date: Number of Pages:

Signer(s) Other than Named Above:

Capacity(ies) Claimed by Signer(s)

Thumbprint of Signer 1

- Individual
Corporate Officer:
Partner - Limited General
Attorney-in-Fact
Trustee
Guardian or Conservator
Other:

Signer is Representing:

Thumbprint of Signer 2

- Individual
Corporate Officer:
Partner - Limited General
Attorney-in-Fact
Trustee
Guardian or Conservator
Other:

Signer is Representing:

DEFECTIVE MATERIALS AND WORKMANSHIP (WARRANTY) BOND

WHEREAS, the CITY OF MENLO PARK, a municipal corporation of the State of California (“City”) and **D.R. Horton BAY Inc., a Delaware corporation**, as principal (“Principal”) have entered into an agreement entitled **AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS**, incorporated herein by reference and referred to as the “Contract,” which requires Principal to install and complete certain designated public improvements; and,

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

NOW, THEREFORE, we the Principal and **Berkley Regional Insurance Company**, a corporation duly authorized and admitted to transact business and issue surety bonds in the State of California (“Surety”), are held firmly bound unto the City in the sum of **Seventy Eight Thousand Forty Dollars (\$78,040.00)**, for the payment of which sum well and truly to be made, we the Principal and Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally.

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

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

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

IN WITNESS WHEREOF, this instrument has been duly executed by authorized representatives of the Principal and Surety. SIGNED AND SEALED on **February 22, 2013**.

PRINCIPAL:

SURETY:

D.R. Horton BAY Inc., a Delaware corporation

Berkley Regional Insurance Company

(Principal name)

(Seal) (Surety name)

BY: 
(Signature)

DEAN K. MILLS, ASST. VICE PRESIDENT
(Print name and title)

BY: 
(Signature)

Margaret A. Ginem, Attorney-in-Fact
(Print name and title)

Principal address and telephone:
630 Owens Drive
Pleasanton, CA 94588
Phone: (925) 225-7445

Surety address and telephone:
5900 Windward Parkway, Ste. 335
Alpharetta, GA 30005
Phone: (678) 624-1818 X5067

C/O WILLIS OF FLORIDA
3000 BAYPORT DRIVE, #300
TAMPA, FL 33607
INQUIRIES: (813) 281-2095

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

ACKNOWLEDGEMENT BY SURETY

STATE OF FLORIDA }
COUNTY OF HILLSBOROUGH }

On this 22nd day of February, 2013 before me, personally came **Margaret A. Ginem**, who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within Instrument as Attorney-In-Fact on behalf of **Berkley Regional Insurance Company**, and acknowledged to me that he/she executed the within instrument on behalf of said surety company and was duly authorized to do.

In witness whereof, I have signed and affixed my official seal on the date in this certificate first above written.

Signature


Marianella Barnola

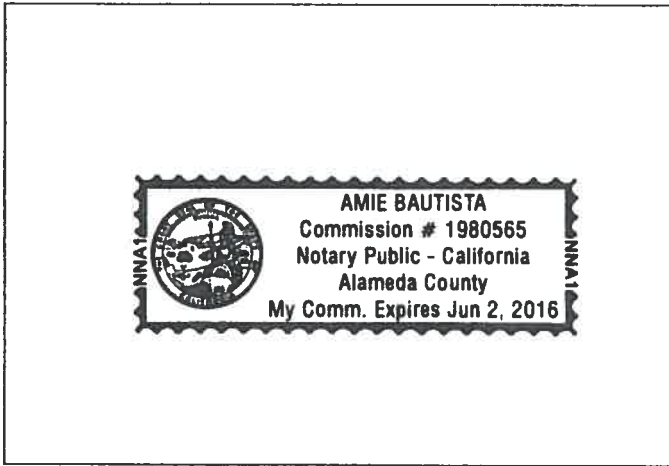


This area for Official Notarial Seal

California All-Purpose Acknowledgement

State of California }
 County of Alameda

On February 25, 2013 before me, Amie Bautista, a Notary Public
 personally appeared Dean K. Mills



Notary Public Seal

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Amie Bautista

Notary Public Signature

OPTIONAL

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Thumbprint of Signer 1

- Individual
- Corporate Officer: _____
- Partner - Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing: _____

Thumbprint of Signer 2

- Individual
- Corporate Officer: _____
- Partner - Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing: _____

POWER OF ATTORNEY
BERKLEY REGIONAL INSURANCE COMPANY
WILMINGTON, DELAWARE

NOTICE: The warning found elsewhere in this Power of Attorney affects the validity thereof. Please review carefully.

KNOW ALL MEN BY THESE PRESENTS, that BERKLEY REGIONAL INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Delaware, having its principal office in Urbandale, Iowa, has made, constituted and appointed, and does by these presents make, constitute and appoint: *Carol H. Hermes, David H. Carr, Anett Cardinale, Margaret A. Ginem or Linda Horn of Willis of Florida, Inc. of Tampa, FL* its true and lawful Attorney-in-Fact, to sign its name as surety only as delineated below and to execute, seal, acknowledge and deliver any and all bonds and undertakings, with the exception of Financial Guaranty Insurance, providing that no single obligation shall exceed Fifty Million and 00/100 U.S. Dollars (U.S.\$50,000,000.00), to the same extent as if such bonds had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office in their own proper persons.

This Power of Attorney shall be construed and enforced in accordance with, and governed by, the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof. This Power of Attorney is granted pursuant to the following resolutions which were duly and validly adopted at a meeting of the Board of Directors of the Company held on August 21, 2000:

"RESOLVED, that the proper officers of the Company are hereby authorized to execute powers of attorney authorizing and qualifying the attorney-in-fact named therein to execute bonds, undertakings, recognizances, or other suretyship obligations on behalf of the Company, and to affix the corporate seal of the Company to powers of attorney executed pursuant hereto; and further

RESOLVED, that such power of attorney limits the acts of those named therein to the bonds, undertakings, recognizances, or other suretyship obligations specifically named therein, and they have no authority to bind the Company except in the manner and to the extent therein stated; and further

RESOLVED, that such power of attorney revokes all previous powers issued on behalf of the attorney-in-fact named; and further

RESOLVED, that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligation of the Company; and such signature and seal when so used shall have the same force and effect as though manually affixed. The Company may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Company, notwithstanding the fact that they may have ceased to be such at the time when such instruments shall be issued."

IN WITNESS WHEREOF, the Company has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 15 day of November, 2012.

Attest:

By [Signature]
Ira S. Lederman
Senior Vice President & Secretary

Berkley Regional Insurance Company
By [Signature]
Jeffrey M. Hafter
Senior Vice President

WARNING: THIS POWER INVALID IF NOT PRINTED ON BLUE "BERKLEY" SECURITY PAPER.

STATE OF CONNECTICUT)
) ss:
COUNTY OF FAIRFIELD)

Sworn to before me, a Notary Public in the State of Connecticut, this 15 day of November, 2012, by Jeffrey M. Hafter and Ira S. Lederman who are sworn to me to be the Senior Vice President, and the Senior Vice President and Secretary, respectively, of Berkley Regional Insurance Company.

EILEEN KILLEEN
NOTARY PUBLIC, STATE OF CONNECTICUT
MY COMMISSION EXPIRES JUNE 30, 2017

[Signature]
Notary Public, State of Connecticut

CERTIFICATE

I, the undersigned, Assistant Secretary of BERKLEY REGIONAL INSURANCE COMPANY, DO HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the original Power of Attorney; that said Power of Attorney has not been revoked or rescinded and that the authority of the Attorney-in-Fact set forth therein, who executed the bond or undertaking to which this Power of Attorney is attached, is in full force and effect as of this date.

Given under my hand and seal of the Company, this 22ND day of FEBRUARY, 2013.

(Seal) Andrew M. Tuma [Signature]

WARNING - Any unauthorized reproduction or alteration of this document is prohibited. This power of attorney is void unless seals are readable and the certification seal at the bottom is embossed. The background imprint, warning and confirmation (on reverse) must be in blue ink.

BKF Engineers

255 Shoreline Drive, Suite 200
Redwood City, California 94065

**CIVIL ENGINEER'S OPINION
OF PROBABLE CONSTRUCTION COSTS
ARTISAN - ON SITE IMPROVEMENTS
MENLO PARK, CALIFORNIA**

<u>ITEM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
A.	SITE WORK	\$72,960
B.	SURFACE/PAVING	\$106,450
C.	STORM DRAIN	\$121,420
D.	SANITARY SEWER	\$35,200
E.	WATER SYSTEM	\$75,200
F.	JOINT TRENCH	\$71,000
	SUBTOTAL =	<u>\$482,230</u>
	15% CONSTRUCTION CONTINGENCY =	<u>\$72,335</u>
	TOTAL ESTIMATED COST =	<u>\$554,565</u>

Notes:

1. All cost figures are given as estimates only. Actual cost will be dependent on the cost figures at bidding time; the general market situation, contractor's work load, seasonal factor, labor and cost, etc. This engineering
2. This engineer's opinion is based on the On-Site Improvement Plans, prepared by BKF dated March 8, 2013.
3. This engineer's opinion does not include any agency fees.
4. This engineer's opinion does not include any costs associated with irrigation, street trees, and fencing.
5. This engineer's opinion does not assume a swelling factor for rough grading amount.



BKF Engineers

255 Shoreline Drive, Suite 200
 Redwood City, California 94065

ITEM	DESCRIPTION	QTY	UNITS	\$/UNIT	AMOUNT
A. SITE WORK					
1)	Rough Grading (See note 5)	2,650	CY	\$15.00	\$39,750
2)	Landscaping	8,571	SF	\$3.00	\$25,710
3)	Erosion Control	1	LS	\$7,500.00	\$7,500
SUBTOTAL =					\$72,960
B. SURFACE/PAVING					
1)	AC Paving (3"AC/10"AB)	12,734	SF	\$4.00	\$50,940
2)	Porous Pavement - Calstone Pavers	3,338	SF	\$10.00	\$33,380
3)	Concrete Sidewalk	2,107	SF	\$5.00	\$10,540
4)	Handicap Ramp - Case C	1	EA	\$1,200.00	\$1,200
5)	Handicap Ramp - Case F	4	EA	\$800.00	\$3,200
6)	6" Curb & Gutter	151	LF	\$24.00	\$3,620
7)	6" Curb	98	LF	\$20.00	\$1,960
8)	6" Flush Curb	24	LF	\$20.00	\$480
9)	3' Valley Gutter	47	LF	\$24.00	\$1,130
SUBTOTAL =					\$106,450
C. STORM DRAIN					
1)	12" HDPE	284	LF	\$40.00	\$11,360
2)	6" PVC SDR 26	570	LF	\$30.00	\$17,100
3)	4" PVC SDR 26	25	LF	\$24.00	\$600
4)	4" PERF. PVC	25	LF	\$28.00	\$700
5)	2" SCH 40 PVC Force Main	22	LF	\$20.00	\$440
6)	Storm Drain Manhole	6	EA	\$3,500.00	\$21,000
7)	Drop Inlet (Central Precast 2K)	4	EA	\$2,500.00	\$10,000
8)	NDS Area Drain	19	EA	\$250.00	\$4,750
9)	ACO Trench Drain	144	LF	\$38.00	\$5,470
10)	BioClean Underground Retention System	1	LS	\$50,000.00	\$50,000
SUBTOTAL =					\$121,420
D. SANITARY SEWER					
1)	6" C900 PVC Pipe	315	LF	\$40.00	\$12,600
2)	Sewer Manhole	2	EA	\$3,500.00	\$7,000
3)	Sewer Lateral / Cleanout	13	EA	\$1,200.00	\$15,600
SUBTOTAL =					\$35,200
E. WATER SYSTEM					
1)	6" C900 PVC Pipe	450	LF	\$40.00	\$18,000
2)	Fire Hydrant Assembly	2	EA	\$4,000.00	\$8,000
3)	Relocated Fire Hydrant Assembly	2	EA	\$8,000.00	\$16,000
4)	Water Service	26	EA	\$900.00	\$23,400
5)	Wet Tap	2	EA	\$4,000.00	\$8,000
6)	Blow-Off	2	EA	\$900.00	\$1,800
SUBTOTAL =					\$75,200
F. JOINT TRENCH					
1)	On-Site Joint Trench	575	LF	\$100.00	\$57,500
2)	Underground AT&T and Cable on College Ave	270	LF	\$50.00	\$13,500
SUBTOTAL =					\$71,000

Bond No. 0175322
Premium \$2,357.00
"Artisan"

FAITHFUL PERFORMANCE BOND

WHEREAS, the CITY OF MENLO PARK, a municipal corporation of the State of California ("City"), and **D.R. Horton BAY Inc.**, a Delaware corporation, as principal ("Principal") have entered into an agreement entitled **AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS**, incorporated herein by reference and referred to as the "Contract," which requires Principal to install and complete certain designated public improvements; and,

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

NOW, THEREFORE, we the Principal and Berkley Insurance Company, a corporation duly authorized and admitted to transact business and issue surety bonds in the State of California ("Surety"), are held firmly bound unto the City in the sum of **Five Hundred and Fifty Four Thousand Five Hundred and Sixty Five Dollars & 00/100 (\$554,565.00)**, for the payment of which sum well and truly to be made, we the Principal and Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally.

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

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

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

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

IN WITNESS WHEREOF, this instrument has been duly executed by authorized representatives of the Principal and Surety. SIGNED AND SEALED on March 15, 2013.

PRINCIPAL:

D.R. Horton BAY, Inc., a Delaware corporation



(Principal name)

SURETY:

Berkley Insurance Company

(Seal) (Surety name)

BY: 
(Signature)

Dean K. Mills, V.P. Forward Planning
(Print name and title)

BY: 
(Signature)

Anett Cardinale, Attorney-in-Fact
(Print name and title)

Principal address and telephone:

6630 Owens Drive
Pleasanton, CA 94588
(925) 225-7445

Surety address and telephone:

5900 Windward Parkway, Ste. 335
Alpharetta, GA 30005
(678) 624-1818 X 5067

C/O WILLIS OF FLORIDA
3000 BAYPORT DRIVE, #300
TAMPA, FL 33607
INQUIRIES: (813) 281-2095

Affix Corporate Seals

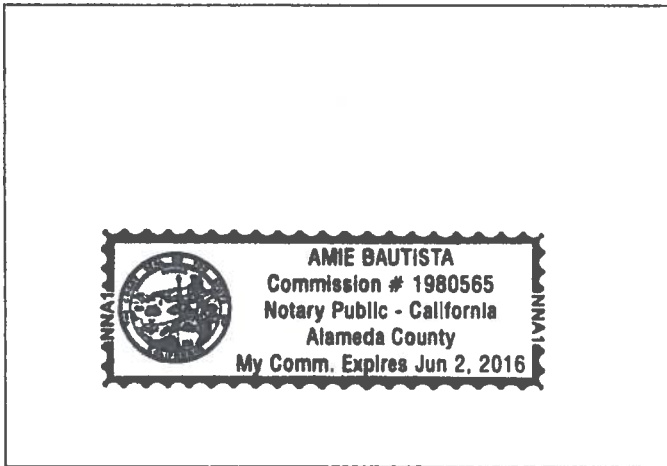
Attach Notary Acknowledgments for All Signatures

Attach Power-of-Attorney if executed by Attorney-in-Fact

California All-Purpose Acknowledgement

State of California }
County of Alameda

On March 18, 2013 before me, Amie Bautista, a Notary Public
personally appeared Dean K. Mills



Notary Public Seal

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Amie Bautista

Notary Public Signature

OPTIONAL

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Thumbprint of Signer 1
[Blank box for thumbprint]

- Individual
- Corporate Officer: _____
- Partner - Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing: _____

Thumbprint of Signer 2
[Blank box for thumbprint]

- Individual
- Corporate Officer: _____
- Partner - Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing: _____

ACKNOWLEDGEMENT BY SURETY

STATE OF FLORIDA }
COUNTY OF HILLSBOROUGH }

On this 15th day of March, 2013 before me, personally came **Anett Cardinale**, who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within Instrument as Attorney-In-Fact on behalf of **Berkley Regional Insurance Company**, and acknowledged to me that he/she executed the within instrument on behalf of said surety company and was duly authorized to do.

In witness whereof, I have signed and affixed my official seal on the date in this certificate first above written.

Signature


Marianella Barnola



This area for Official Notarial Seal

POWER OF ATTORNEY
BERKLEY INSURANCE COMPANY
WILMINGTON, DELAWARE

NOTICE: The warning found elsewhere in this Power of Attorney affects the validity thereof. Please review carefully.

KNOW ALL MEN BY THESE PRESENTS, that BERKLEY INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Delaware, having its principal office in Greenwich, CT, has made, constituted and appointed, and does by these presents make, constitute and appoint: Carol H. Hermes, David H. Carr, Anett Cardinale, Margaret A. Ginem or Linda Horn of Willis of Florida, Inc. of Tampa, FL its true and lawful Attorney-in-Fact, to sign its name as surety only as delineated below and to execute, seal, acknowledge and deliver any and all bonds and undertakings, with the exception of Financial Guaranty Insurance, providing that no single obligation shall exceed Fifty Million and 00/100 U.S. Dollars (U.S.\$50,000,000.00), to the same extent as if such bonds had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office in their own proper persons.

This Power of Attorney shall be construed and enforced in accordance with, and governed by, the laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof. This Power of Attorney is granted pursuant to the following resolutions which were duly and validly adopted at a meeting of the Board of Directors of the Company held on January 25, 2010:

RESOLVED, that, with respect to the Surety business written by Berkley Surety Group, LLC, the Chairman of the Board, Chief Executive Officer, President or any Vice President of the Company, in conjunction with the Secretary or any Assistant Secretary are hereby authorized to execute powers of attorney authorizing and qualifying the attorney-in-fact named therein to execute bonds, undertakings, recognizances, or other suretyship obligations on behalf of the Company, and to affix the corporate seal of the Company to powers of attorney executed pursuant hereto; and said officers may remove any such attorney-in-fact and revoke any power of attorney previously granted; and further

RESOLVED, that such power of attorney limits the acts of those named therein to the bonds, undertakings, recognizances, or other suretyship obligations specifically named therein, and they have no authority to bind the Company except in the manner and to the extent therein stated; and further

RESOLVED, that such power of attorney revokes all previous powers issued on behalf of the attorney-in-fact named; and further

RESOLVED, that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any power of attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligation of the Company; and such signature and seal when so used shall have the same force and effect as though manually affixed. The Company may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Company, notwithstanding the fact that they may have ceased to be such at the time when such instruments shall be issued.

IN WITNESS WHEREOF, the Company has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 14 day of November, 2012.

Attest:

Berkley Insurance Company

(Seal)

By [Signature]
Ira S. Lederman
Senior Vice President & Secretary

By [Signature]
Jeffrey M. Hafter
Senior Vice President

WARNING: THIS POWER INVALID IF NOT PRINTED ON BLUE "BERKLEY" SECURITY PAPER.

STATE OF CONNECTICUT)
) ss:
COUNTY OF FAIRFIELD)

Sworn to before me, a Notary Public in the State of Connecticut, this 14 day of November, 2012, by Ira S. Lederman and Jeffrey M. Hafter who are sworn to me to be the Senior Vice President and Secretary, and the Senior Vice President, respectively, of Berkley Insurance Company.

EILEEN KILLEEN
NOTARY PUBLIC, STATE OF CONNECTICUT
MY COMMISSION EXPIRES JUNE 30, 2017

[Signature]
Notary Public, State of Connecticut

CERTIFICATE

I, the undersigned, Assistant Secretary of BERKLEY INSURANCE COMPANY, DO HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the original Power of Attorney; that said Power of Attorney has not been revoked or rescinded and that the authority of the Attorney-in-Fact set forth therein, who executed the bond or undertaking to which this Power of Attorney is attached, is in full force and effect as of this date.

Given under my hand and seal of the Company, this 15th day of March, 2013.

(Seal)

[Signature]
Andrew M. Tuma

WARNING - Any unauthorized reproduction or alteration of this document is prohibited. This power of attorney is void unless seals are readable and the certification seal at the bottom is embossed. The background imprint, warning and confirmation (on reverse) must be in blue ink.

Instructions for Inquiries and Notices Under the Bond Attached to This Power

Berkley Surety Group, LLC is the affiliated underwriting manager for the surety business of: Acadia Insurance Company, Berkley Insurance Company, Berkley Regional Insurance Company, Carolina Casualty Insurance Company, Union Standard Insurance Company, Continental Western Insurance Company, and Union Insurance Company.

To verify the authenticity of the bond, please call (866) 768-3534 or email BSGInquiry@berkleysurety.com

Any written notices, inquiries, claims or demands to the surety on the bond to which this Rider is attached should be directed to:

**Berkley Surety Group, LLC
412 Mount Kemble Avenue
Suite 310N
Morristown, NJ 07960
Attention: Surety Claims Department**

Or

email BSGClaim@berkleysurety.com

Please include with all notices the bond number and the name of the principal on the bond. Where a claim is being asserted, please set forth generally the basis of the claim. In the case of a payment or performance bond, please identify the project to which the bond pertains.

Bond No. 0175323
Premium \$1,178.00
"Artisan"

DEFECTIVE MATERIALS AND WORKMANSHIP (WARRANTY) BOND

WHEREAS, the CITY OF MENLO PARK, a municipal corporation of the State of California ("City") and D.R. Horton BAY Inc., a Delaware corporation, as principal ("Principal") have entered into an agreement entitled **AGREEMENT FOR COMPLETION OF DEVELOPMENT IMPROVEMENTS**, incorporated herein by reference and referred to as the "Contract," which requires Principal to install and complete certain designated public improvements; and,

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

NOW, THEREFORE, we the Principal and Berkley Insurance Company, a corporation duly authorized and admitted to transact business and issue surety bonds in the State of California ("Surety"), are held firmly bound unto the City in the sum of **Two Hundred and Seventy Seven Thousand Two Hundred and Eighty Three & 00/100 Dollars (\$277,283.00)**, for the payment of which sum well and truly to be made, we the Principal and Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally.

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

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

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

IN WITNESS WHEREOF, this instrument has been duly executed by authorized representatives of the Principal and Surety. SIGNED AND SEALED on
March 15, 2013.

PRINCIPAL:

SURETY:

D.R. Horton BAY Inc., a Delaware corporation




(Principal name)

Berkley Insurance Company

(Seal) (Surety name)

BY: _____
(Signature)

(Print name and title)

BY:  _____
(Signature)

Anett Cardinale, Attorney-in-Fact
(Print name and title)

Principal address and telephone:

6630 Owens Drive
Pleasanton, CA 94588
(925) 225-7445

Surety address and telephone:

5900 Windward Parkway, Ste. 335
Alpharetta, GA 30005
(678) 624-1818 X 5067

C/O WILLIS OF FLORIDA
3000 BAYPORT DRIVE, #300
TAMPA, FL 33607
INQUIRIES: (813) 281-2095

Affix Corporate Seals

Attach Notary Acknowledgments for All Signatures

Attach Power-of-Attorney if executed by Attorney-in-Fact

Instructions for Inquiries and Notices Under the Bond Attached to This Power

Berkley Surety Group, LLC is the affiliated underwriting manager for the surety business of: Acadia Insurance Company, Berkley Insurance Company, Berkley Regional Insurance Company, Carolina Casualty Insurance Company, Union Standard Insurance Company, Continental Western Insurance Company, and Union Insurance Company.

To verify the authenticity of the bond, please call (866) 768-3534 or email BSGInquiry@berkleysurety.com

Any written notices, inquiries, claims or demands to the surety on the bond to which this Rider is attached should be directed to:

**Berkley Surety Group, LLC
412 Mount Kemble Avenue
Suite 310N
Morristown, NJ 07960
Attention: Surety Claims Department**

Or

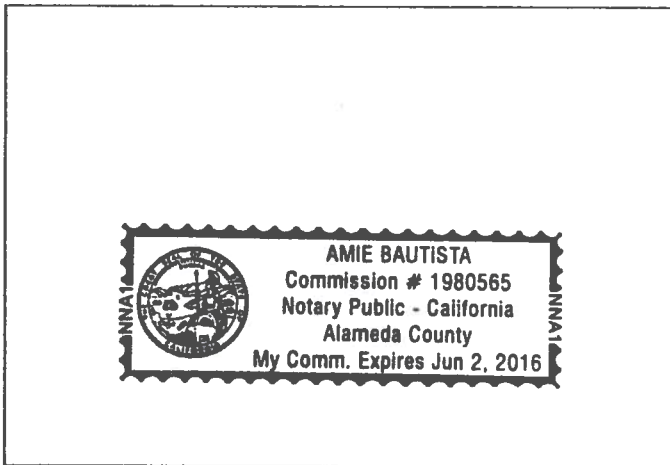
email BSGClaim@berkleysurety.com

Please include with all notices the bond number and the name of the principal on the bond. Where a claim is being asserted, please set forth generally the basis of the claim. In the case of a payment or performance bond, please identify the project to which the bond pertains.

California All-Purpose Acknowledgement

State of California }
 County of Alameda

On March 18, 2013 before me, Amie Bautista, a Notary Public
 personally appeared Dean K. Mills



Notary Public Seal

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Amie Bautista

Notary Public Signature

OPTIONAL

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Thumbprint of Signer 1

- Individual
- Corporate Officer: _____
- Partner - Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing: _____

Thumbprint of Signer 2

- Individual
- Corporate Officer: _____
- Partner - Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing: _____

ACKNOWLEDGEMENT BY SURETY

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH }

On this 15th day of **March, 2013** before me, personally came **Anett Cardinale**, who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within Instrument as Attorney-In-Fact on behalf of **Berkley Regional Insurance Company**, and acknowledged to me that he/she executed the within instrument on behalf of said surety company and was duly authorized to do.

In witness whereof, I have signed and affixed my official seal on the date in this certificate first above written.

Signature _____

Marianella Barnola
Marianella Barnola



This area for Official Notarial Seal



PUBLIC WORKS DEPARTMENT

Council Meeting Date: March 26, 2013
Staff Report #: 13-040

Agenda Item #: D-2

CONSENT CALENDAR: Adopt a Resolution to Approve an Amendment to the Water Supply Agreement with the City and County of San Francisco

RECOMMENDATION

Staff recommends that City Council adopt a resolution (Attachment A) to approve an amendment to the water supply agreement with the City and County of San Francisco.

BACKGROUND

In June 2009, the City of Menlo Park entered into a Water Supply Agreement with the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (WSA). The WSA sets forth the terms by which the twenty six Wholesale Customers will purchase water from the San Francisco Regional Water System (System), which includes Hetch Hetchy Reservoir (Reservoir).

During the 2012 election cycle, a group named Restore Hetch Hetchy placed an initiative before San Francisco voters that would have required the City and County of San Francisco to develop plans to drain the Reservoir and restore Hetch Hetchy Valley. The initiative was defeated, but the organization announced that it will continue to pursue these goals. The Wholesale Customers use two-thirds of the water provided by the System and pay two-thirds of the cost of building, operating and maintaining the System. However, none of these water customers may vote on San Francisco ballot measures. As a result, there is uncertainty as to how the parties would address changes to the System in the event of a future abandonment or decommissioning of O'Shaughnessy Dam, which forms the Reservoir, or a draining of the Reservoir.

ANALYSIS

In order to provide long-term protection for the Wholesale Customers, the Bay Area Water Supply & Conservation Agency (BAWSCA) and San Francisco have developed an administrative solution, an Amendment to the WSA, which addresses water-supply reliability, water quality and cost-allocation. This Amendment will assure that the existing condition of the Reservoir is maintained unless the parties agree to a further amendment to the WSA that meets certain conditions. Notably, the Amendment provides that if the parties do not agree on any such amendment, San Francisco may not drain the Reservoir or abandon or decommission O'Shaughnessy Dam.

San Francisco, acting by and through its Public Utilities Commission, approved the Amendment on January 22, 2013 (Attachment B) and authorized its General Manager to execute the Amendment, pending approval by the requisite number of the Wholesale Customers.

Staff recommends the Council approve the Amendment to protect the long term availability of this service of water.

IMPACT ON CITY RESOURCES

The adoption of the Resolution to amend the Water Supply Agreement with the City and County of San Francisco does not have a direct impact on City Resources.

POLICY ISSUES

Elimination of this water supply would have a dramatic impact on the overall availability and cost of water to the City water customers.

ENVIRONMENT REVIEW

Environmental review is not required.

Signature on File

Ruben Niño
Assistant Public Works Director

PUBLIC NOTICE

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

ATTACHMENTS

- A. Draft Resolution and Amendment
- B. SFPUC Resolution 13-0022

RESOLUTION NO.**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING AN AMENDMENT TO THE WATER SUPPLY AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO**

WHEREAS, the City and County of San Francisco, acting by and through its Public Utilities Commission, entered into a Water Supply Agreement (WSA) with Wholesale Customers in Alameda County, San Mateo County and Santa Clara County in June 2009; and

WHEREAS, Proposition F, the "Water Sustainability and Environmental Restoration Act" appeared on the November, 2012 ballot and, if enacted, would have required the City of San Francisco to evaluate how to drain Hetch Hetchy Reservoir; and

WHEREAS, the San Francisco Charter acknowledges that the Hetch Hetchy Water System, including O'Shaughnessy Dam, is an irreplaceable asset such that San Francisco could not drain Hetch Hetchy Reservoir or abandon or decommission O'Shaughnessy Dam absent a Charter amendment as well as additional regulatory and administrative approvals; and

WHEREAS, the parties, at the time of entering into the WSA, contemplated that Hetch Hetchy Reservoir and O'Shaughnessy Dam were both integral parts of the Regional Water System and were considered Existing Assets as that term is used in the WSA, and were included in the calculation of the Wholesale Revenue Requirement; and

WHEREAS, the parties, at the time of entering into the WSA, also contemplated that the reliability and quality of the water to be delivered was premised on the shared assumption of the continued use of Hetch Hetchy Reservoir and O'Shaughnessy Dam as integral components of the Regional Water System; and

WHEREAS, the parties, at the time of entering into the WSA, did not contemplate that an alternate water delivery system created as a result of draining Hetch Hetchy Reservoir, or abandoning or decommissioning O'Shaughnessy Dam, would be considered part of a New Regional Assets described by the WSA; and

WHEREAS, the parties now desire to amend the WSA to reaffirm the water reliability and quality requirements set forth therein, and to acknowledge that Hetch Hetchy Reservoir and O'Shaughnessy Dam will continue to be used as integral components of the Regional Water System, unless both San Francisco and the Wholesale Customers approve any alternate water storage and delivery system to be used for delivery of water under the WSA; and

WHEREAS, said amendment to the WSA was approved by the San Francisco Public Utilities Commission on January 22, 2013 and its General Manager was authorized to execute it, provided the amendment is approved by the Wholesale Customers.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby approve the amendment to the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County.

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to execute the Amendment, attached hereto and made a part of this resolution, on behalf of the City.

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-sixth day of March, 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-sixth day of March, 2013.

Margaret S. Roberts, MMC
City Clerk

PUBLIC UTILITIES COMMISSION

ATTACHMENT B

City and County of San Francisco

RESOLUTION NO. 13-0022

WHEREAS, in Resolution 09-0069 the Commission approved the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County ("Water Supply Agreement"); and

WHEREAS, on April 28, 2009, the Wholesale Customers approved the Water Supply Agreement pursuant to Section 2.03; and

WHEREAS, the Water Supply Agreement sets forth the terms by which the SFPUC will produce, and the Wholesale Customers will purchase, water from the Hetch Hetchy Regional Water System for a term of 25-years beginning on July 1, 2009; and

WHEREAS, Hetch Hetchy Reservoir is the source for 85% of the water produced on average by the Regional Water System and delivered to 2.6 million water users in San Francisco, San Mateo, Santa Clara and Alameda counties; and

WHEREAS, the Water Supply Agreement requires that the Regional Water System be kept in good working order and repair consistent with prudent utility practice and that the SFPUC will collaborate with the Wholesale Customers on how best to address possible impacts to water supply; and

WHEREAS, on November 6, 2012, San Francisco voters considered and rejected an initiative ordinance, Proposition F, that would have required the City to prepare a two-phase plan evaluating how to drain the Hetch Hetchy Reservoir and identifying replacement water sources; and

WHEREAS, the parties have determined that there is uncertainty as to how the parties would address changes to the Regional Water System in the event of future abandonment or decommissioning of O'Shaughnessy Dam or draining of Hetch Hetchy Reservoir; and

WHEREAS, the parties have negotiated an amendment to the Water Supply Agreement to assure existing condition of Hetch Hetchy Reservoir is maintained unless the parties agree to a further amendment to the Water Supply Agreement that meets certain conditions; now, therefore, be it

RESOLVED, the amendment to the Water Supply Agreement serves a substantial public interest and it is in the interest of the SFPUC to amend the Water Supply Agreement with the Wholesale Customers; and, be it further

RESOLVED, the Commission hereby authorizes the General Manager to negotiate and execute an Amendment to the Water Supply Agreement on behalf of the SFPUC in substantially the form set forth in this Resolution, provided that the amendment is approved by the Wholesale Customers pursuant to Water Supply Agreement Section 2.03; and be it further

RESOLVED, the Commission directs staff to take all steps necessary to secure the approval of the Amendment to the Agreement by the Wholesale Customers; and recommends that the Wholesale Customers approve the amendment to the Agreement.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of January 22, 2013.



Secretary, Public Utilities Commission

Section 3.18 Water Supply Agreement Amendment Required

San Francisco may not change the existing condition of the Hetch Hetchy Reservoir by:

- (1) abandoning or decommissioning O'Shaughnessy Dam; or
- (2) draining Hetch Hetchy Reservoir, except for purposes of (i) repair, rehabilitation, maintenance, improvement, or reconstruction of O'Shaughnessy Dam or appurtenances, (ii) supplying water to the Bay Area during drought, or (iii) meeting water release requirements under the Raker Act, or federal or state law,

unless the parties enter into an amendment to the Water Supply Agreement, in full force and effect, adopted in accordance with Section 2.03.

The amendment shall state, or restate, as the case may be:

- A. The level of service goals for seismic reliability and delivery reliability adopted by the Commission in conjunction with such proposed changes to the Regional Water System, provided such goals are at least as protective of the Wholesale Customers as the level of service goals adopted by the Commission on October 30, 2008 in conjunction with the WSIP;
- B. The level of water quality to be delivered, which is currently provided for in Section 3.08, and
- C. The specific cost allocation procedures, written as an amendment to Article 5, which apply to (1) the abandonment or decommissioning of O'Shaughnessy Dam, or (2) the draining of Hetch Hetchy Reservoir, and (3) the development, operation and maintenance of New Regional Assets that may be required to replace water supplied by Hetch Hetchy Reservoir and delivered to the Bay Area.

In the event that the parties are not able to agree upon and approve an amendment to the Water Supply Agreement as set forth above, San Francisco may not abandon or decommission O'Shaughnessy Dam or drain Hetch Hetchy Reservoir.



PUBLIC WORKS DEPARTMENT

Council Meeting Date: March 26, 2013

Staff Report #: 13-044

Agenda Item #: D-3

CONSENT CALENDAR: Authorize an Increase to the Construction Agreement with G. Bortolotto & Co. Inc. for Additional Work Associated with the 2012 Street Resurfacing of Federal Aid Routes Project [Federal Aid Project No. 04-5273 (021)], in the Amount of \$45,000 and Authorize a Total Budget of \$617,169.39 for Construction, Contingencies, Material Testing, Inspection and Construction Administration

RECOMMENDATION

Staff recommends that the City Council authorize an Increase to the construction agreement with G. Bortolotto & Co. Inc. for additional work associated with the 2012 Street Resurfacing of Federal Aid Routes Project [Federal Aid Project No. 04-5273 (021)], in the amount of \$45,000 and authorize a total budget of \$617,169.39 for construction, contingencies, material testing, inspection and construction administration.

BACKGROUND

This 2012 Street Resurfacing of Federal Aid Routes Project will mill and pave a 2-inch overlay on Sand Hill Road, between the Interstate 280 North off-ramp and 1,100-foot East of the off-ramp, and Marsh Road between the Union Pacific Railroad right-of-way and Scott Drive. The resurfacing work also includes 6-inch deep base repairs, (removal and replacement of failing material below the 2-inch mill/overlay area). When this project was originally designed in 2011, the base repair area was believed to be limited to approximately 5,500 square-feet.

This project also includes upgrading 11 existing pedestrian access ramps to comply with the Federal and State accessibility requirements. The upgrades include rebuilding the ramps at the required slopes and installing truncated domes.

On October 9, 2012, the City Council awarded a contract to G. Bortolotto and Co. Inc., in the amount of \$435,169.39 to perform the work associated with this resurfacing project and a total budget of \$572,169.39. The project is partially funded by a Federal Grant (\$385,000) and the 2011-12 Street Resurfacing Project budget (\$187,169.39).

ANALYSIS

Based on recent site inspections of pavement conditions on Marsh Road, staff determined that a larger base repair area is needed than originally expected. Staff estimates that the increase in base repair area needed is approximately three times larger than expected. Increasing the base repair area will produce a better product once the project is completed.

Also based on the recent site inspection, staff identified a broken truncated dome panel on a ramp adjacent to the project site. Since the panel was not broken when the project was developed, this ramp was not included in the original project. The panel should be replaced and the ramp brought up standard to comply with accessibility requirements. The cost for the additional concrete sidewalk, compliant ramps and base repair work is \$112,000. This amount exceeds the approved \$67,000 in contingency.

Staff recommends increasing the construction budget by \$45,000 to address the additional concrete and base repair area work.

IMPACT ON CITY RESOURCES

The project budget is as follows:

Current Construction Budget

Contract Amount	\$ 435,169.39
Contingency (15%)	\$ 67,000.00
Testing, Construction Administration and Inspection Services	<u>\$ 70,000.00</u>
Total Construction Budget	\$ 572,169.39

Proposed Construction Budget

Contract Amount	\$ 435,169.39
Contingency (25%)	\$ 112,000.00
Testing, Construction Administration and Inspection Services	<u>\$ 70,000.00</u>
Total Construction Budget	\$ 617,169.39

There are sufficient funds in the 2011-12 Street Resurfacing Project budget to cover the additional \$45,000.

POLICY ISSUES

This project is consistent with several policies in the 1994 General Plan Circulation and Transportation Element. These policies seek to maintain a circulation system using the Roadway Classification System that will provide for the safe and efficient movement of people and goods throughout Menlo Park for residential and commercial purposes.

ENVIRONMENTAL REVIEW

The project is categorically exempt under Class I of the current State of California Environmental Quality Act (CEQA) Guidelines. Class I allows for minor alterations of existing facilities, including highways, streets, sidewalks, gutters, bicycle, pedestrian access, and similar facilities as long as there is negligible or no expansion of use.

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.

ATTACHMENTS

None

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: March 26, 2013
Staff Report #: 13-039

Agenda Item #: D-4

CONSENT CALENDAR: **Approve Proposed League of California Cities
Bylaws Amendments**

RECOMMENDATION

Staff recommends that the Council approve the proposed League of California Cities (League) Bylaws Amendments.

BACKGROUND

On March 7, 2013, the City received a letter (Attachment A) from the League requesting member cities consider two Bylaws amendments.

ANALYSIS

At the February League Board of Director's meeting, the Board approved submitting two amendments to the membership. The language proposed is provided in the League Resolution (Attachment B).

The first amendment will require that resolutions submitted to the League for presentation to the General Assembly must be supported by at least five or more cities or by city officials from at least five or more cities. The bylaws currently read "Resolutions may originate from city officials, city councils, regional divisions, functional departments, policy committees, or the League Board or by being included in a petition signed by designated voting delegates of ten percent of the number of Member Cities."

The second proposed amendment states that the League Board may take a position on statewide ballot measure by a two-thirds vote of those directors present. Currently, the Board may take positions with a simple majority vote.

The proposed amendments were approved by the Board and is allowing member cities to provide their intent by a mail ballot (Attachment C) no later than of April 19, 2013. If the amendments are approved by the City Council, the ballot will be submitted to the League.

IMPACT ON CITY RESOURCES

There are no impacts to City resources.

POLICY ISSUES

There are no policy issues associated with the League amendments.

Signature on file

Margaret S. Roberts, MMC
City Clerk

ENVIRONMENTAL REVIEW

There is no environmental review required for this action.

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. League of California Cities Letter
- B. League of California Cities Resolution
- C. League of California Cities Ballot



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

March 5, 2013

To: League Membership
From: Chris McKenzie, Executive Director
Re: Proposed Amendments to League Bylaws

At its February meeting, the League's Board of Directors approved submitting two amendments to the League's Bylaws to the membership. The proposed amendments would amend the Bylaws to provide that:

1. Resolutions submitted to the League for presentation to the General Assembly must be concurred in by at least five or more cities or by city officials from at least five or more cities.
2. The League Board may take a position on a statewide ballot measure by a 2/3rd vote of those Directors present. Currently, the Board may take positions with a simple majority vote.

The Board's purpose in submitting the first proposed amendment is to encourage members to seek concurrence of other cities and city officials that the subject of a proposed resolution is a substantial one and of broad interest and importance to cities. The Board's purpose in submitting the second proposed amendment is to ensure that when the Board considers a position on possibly controversial statewide ballot measures, the Board's ultimate decision represents a broad consensus of the Directors.

The language of the proposed amendments is provided in the attached Resolution. To be approved, the Bylaws require each amendment must receive a 2/3rd vote of those members voting. To consult the League's Bylaws: go to www.cacities.org. The link is at the bottom of the page.

As provided in the League's Bylaws, the Board of Directors is submitting these amendments to the membership for approval by mail ballot. Please return the enclosed ballot, signed by an authorized city official, **by April 19, 2013**.

Ballots may be submitted by email to: **ballots@cacities.org**.

By mail to:

League of California Cities
Attn: Ballots
1400 K Street, 4th Floor
Sacramento, CA 95814

Honorable Ronald M. George, Chief Justice And the Associate Justices
August 6, 2008
Page 2

Or by fax to: **(916) 658-8240**

Thank you for your attention to this important matter concerning the League's governance. If you have questions, please direct them to Patrick Whitnell, General Counsel at pwhitnell@cacities.org.

PROPOSED RESOLUTION RELATING TO LEAGUE BYLAWS AMENDMENTS

WHEREAS, the League of California Cities is a nonprofit mutual benefit corporation under California law and, as such, is governed by corporate bylaws; and

WHEREAS, the League's Board of Directors periodically reviews the League's bylaws for issues of clarity, practicality, compliance with current laws, and responsiveness to membership interests; and

WHEREAS, the League Board of Directors at its February 7-8, 2013 meeting approved submitting the following amendments to the League's bylaws to the League's membership by mailed ballot:

1. Article VI, section 2 of the League's bylaws is amended to read as follows:

“Resolutions may originate from city officials, city councils, regional divisions, functional departments, policy committees, or the League Board or by being included in a petition signed by designated voting delegates of ten percent of the number of Member Cities. **Except for petitioned resolutions, all other resolutions must be submitted to the League with documentation that at least five or more cities, or city officials from at least five or more cities, have concurred in the resolution.**”

2. A new Article VII, section 16 is added to the League's bylaws to read as follows:

“Section 16: Positions on Statewide Ballot Measures.

Notwithstanding any other provision of these bylaws, the League Board may take a position on a statewide ballot measure by a 2/3rd vote of those Directors present.”

Now, therefore, be it

RESOLVED, that the League Board of Directors at its April 24-25, 2013 meeting in Sacramento, California, after a canvass of mailed ballots, has determined that the above amendments to the League bylaws have been approved by a 2/3rd vote of those Member Cities voting. These amendments shall take effect 60 days after the approval of this resolution.

////////

Ballot on Bylaws Amendments

City of _____

Does your city vote to approve the amendment of article VI, section 2 of the League's bylaws relating to submission of resolutions to the League's General Assembly as set forth in the Proposed Resolution and incorporated by reference in this ballot?

- Yes
- No

Does your city vote to approve the addition of article VII, section 16 to the League's bylaws relating to the League Board vote threshold for taking positions on statewide ballot measures as set forth in the Proposed Resolution and incorporated by reference in this ballot?

- Yes
- No

Ballot returned by:

_____ City Official Name

_____ City Official Title

Please return this ballot by **April 19, 2013** to:

League of California Cities
Attn: Ballots
1400 K Street, 4th Floor
Sacramento, CA 95814

or by email to: ballots@cacities.org

or by fax to: (916) 658-8240

Thanks in advance for your participation in this important decision.



**CITY COUNCIL
SPECIAL AND REGULAR MEETING MINUTES**

**Tuesday, March 5, 2013 at 5:30 p.m.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers**

Mayor Ohtaki called the Closed Session to order at 5:30 p.m. with Council Member Keith absent. Council Member Keith arrived at 6:00 p.m.

There were no members of the public present for public comments on the Closed Session items.

CL1. Closed session conference with legal counsel pursuant to Government Code Section 54956.9(a) regarding litigation existing litigation:
Peninsula Interfaith Action, et al. v City of Menlo Park San Mateo County Superior Court Case No. CIV513882

CL2. Closed session conference with legal counsel pursuant to Government Code Section 54956.9(b)(1) regarding potential litigation against the City of Menlo Park

Mayor Ohtaki called the Regular Session to order at 7:03 p.m. with all Council Members present.

Mayor Ohtaki led the Pledge of Allegiance

REPORT FROM CLOSED SESSION

ACTION: There was no reportable action.

ANNOUNCEMENTS

Alex McIntyre, City Manager introduced Robert Jonsen the new Police Chief.

Mayor Ohtaki announced the following upcoming events:

- Meals on Wheels 35th Anniversary on March 20, 2013
- Peninsula Preparedness Awareness event is taking part on March 20, 2013

A. PRESENTATIONS AND PROCLAMATIONS

There were no presentations made.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Report from Finance and Audit Committee ([Attachment](#))

Report was presented by Committee Members Honor Huntington and Jeffrey Child.

B2. Transportation Commission quarterly report on the status of their 2-Year Work Plan

Report was presented by Chair Bianca Walser.

ACTION: By consensus the Council requested that the Commission provide a preliminary report to the Council on why changes are needed on the Neighborhood Traffic Management Plan (NTMP). At the time the preliminary report is presented to the Council, they will determine if they want the Commission to move forward on changes to the NTMP.

Public Comment

- Barbara Hunter read a letter regarding the Neighborhood Transportation Management Plan is still being investigated for change. ([Letter](#))

B3. Environmental Quality Commission quarterly report on the status of their 2-Year Work Plan

Report was presented by Chair Mitch Slomiak.

C. PUBLIC COMMENT #1

- Michelle Sutton read a letter regarding her recent dismissal from the gymnastics program.
- Barbara Ortez read a letter from her son regarding the dismissal of Michelle Sutton. ([Letter](#))
- Chwinn Cosgrove showed two videos on Shen Yun 2013.
- Debbie Mukamal spoke in support of Michelle Sutton.
- Lindsey Fisher read a letter of support regarding the gymnastics teacher Michelle Sutton.
- Whitney McKiernan spoke in support of gymnastics teacher Michelle Sutton and requested an investigation into her dismissal.
- Laura Ruetters spoke in support of gymnastics teacher Michelle Sutton and asked for support to find a resolution to the issues in the gymnastics program.
- Vincent Bresler spoke regarding the El Camino Real Downtown Specific Plan and the success it had at the Planning Commission meeting last night. He further commented on the Stanford project and requested that the Council add it to a future agenda

NOTE: Vice Mayor Mueller has a conflict of interest with the Stanford Project and left the meeting at 8:18 p.m. and returned at 8:20 p.m.

- Scott Marshall spoke regarding the environmental projects in the Capital Improvement Projects and asked that the Council fund the canopy tree project that is currently unfunded.
- Cherie Zaslowsky requested a moratorium on projects over 3 stories within the El Camino Real Downtown Specific Plan area until such time as it can be further discussed and evaluated.

NOTE: Vice Mayor Mueller has a conflict of interest with the Stanford Project and left the meeting at 8:21 p.m. and returned at 8:23 p.m.

- Elias Blawie spoke regarding the minutes for the February 4, 2013 meeting, noting that there is no video for the meeting.

D. CONSENT CALENDAR

ACTION: Motion and second (Cline/Keith) to approve the consent calendar with exception to Item D4 as presented, (Mayor Ohtaki abstained for Item D1) passes unanimously.

D1. Authorize the Public Works Director to accept the work performed by Amland Corporation for the Santa Cruz Avenue/Elder Avenue Traffic Signal Installation Project
([Staff report #13-026](#))

NOTE: Mayor Ohtaki announced that he is recused from Item D1 due to his property and therefore is recused from the item.

- D2.** Authorize the Public Works Director to accept the work performed by JJR Construction, Inc. for the Woodland Avenue Sidewalk Project ([Staff report #13-027](#))
- D3.** Authorize the City Manager to enter into an agreement with Telecommunications Engineering Associates to purchase and install replacement radio equipment in an amount not to exceed \$130,000 pursuant to approved Capital Improvement Project ([Staff report #13-028](#))
- D5.** Approve a second amendment to the Purchase and Sale Agreement with Greenheart Land Company for the sale of property owned by the former Menlo Park Redevelopment Agency located at 777-821 Hamilton Avenue, reducing the sale price from \$8.0 million to \$7.650 million and to extend the time to obtain State Department of Finance approval to April 30th as required ([Staff report #13-030](#)) **NOTE:** This item is for the Successor Agency
- D6.** Authorize the City Manager to execute an agreement between the City of Menlo Park and the Cable Joint Powers Agency for storage and operation of institutional network equipment ([Staff report #13-029](#))
- D7.** Authorize the City Manager to execute an agreement with Packet Fusion and CDWG in a combined amount not to exceed \$300,000 for Voice Over Internet Protocol (VoIP) ([Staff report #13-034](#))
- D4.** Accept minutes for the Council meetings of February 4 and 12, 2013 ([Attachment](#))
Item pulled by Kirsten Keith to suggest a wording change.

Page 3, paragraph 1 of the minutes for Item E: add at the end of the paragraph “the current permit will expire.”

ACTION: Motion and second (Keith/Cline) to accept the minutes for February 12, 2013 as amended and February 4, 2013 passes unanimously.

E. PUBLIC HEARINGS

There were no public hearings scheduled.

F. REGULAR BUSINESS

- F1.** Consider appeal of staff determination to issue a revocable encroachment permit to construct a driveway on the Louise Street frontage of the property at 1825 Santa Cruz Avenue or adopt a resolution vacating and abandoning a portion of Louise Street ([Staff report #13-031](#))

NOTE: Vice Mayor Mueller announced that he has a conflict due to the proximity of his property to the project and is therefore recused from participating in the item and left the meeting at 8:33 p.m.

Staff presentation by Ruben Nino, Assistant Public Works Director ([PowerPoint](#)) ([Additional Correspondence](#))

The appellants KiranKidi Kapany, Louise Dederer and Michael Hubly made a presentation to the Council. ([PowerPoint](#))

The applicant, Sam Sinnott, made a presentation to the City Council. ([PowerPoint](#))([Letter](#))

Public Comment

- Darrel Tate, previous owner of 1825 Santa Cruz Avenue, provided the history of the property while he owned the property.
- Lauren Barbieri spoke in support of the appeal.
- Michael Schwarz spoke in support of the appeal and addressed items in the applicant's presentation.
- Dominik Beck spoke in support of the appeal.
- Lee Altschuler spoke against an encroachment permit and provided a copy of the instructions. ([Handout](#))
- Sam Perry spoke in support of the appeal.
- Mark Goldsmith spoke in support of the appeal and in support of the abandonment.
- Alexandra Schelberg-Pols reside on Santa Cruz and use the pedestrian access to the rear of 1825 Santa Cruz Avenue onto Louise Street and spoke in support of the appeal due to safety. She is supportive of pedestrian access only.
- Marta Nichols spoke in support of the appeal and commented on landscape being removed on the space.
- Brad Taylor spoke in support of the appeal and in support of the abandonment.
- John Brock spoke in support of the appeal and is opposed to the developer's plans.
- Jennifer Geballe spoke in support of the appeal and stated that if the driveway is allowed, it will cross a current driveway on Louise Street.
- William Peterson spoke in opposition of the appeal, stating that there is currently illegal parking that is blocking the access to the Santa Cruz property.
- Monica Corman spoke in opposition of the appeal and support the staff recommendation as the applicant has the legal right to rebuild the driveway.
- Scott Oesterling spoke in support of the appeal.
- Scott Morrow spoke in support of the appeal.
- Carolyn Dorsch spoke in support of the appeal and enjoys the green open space at the end of the street.
- Henry Riggs suggested separating the issues. He went by the property and there are two parking spots in the right-of-way and stated that the applicant is going through the proper procedures.
- Lorrie Sinnott spoke in opposition of the appeal and spoke to precedents regarding the property on Louise: vehicles parking in the right-of-way on a continual basis, parking enforcement not being done, and work on Louise Street being completed without permits. ([Letter](#))

The council took a brief recess from 10:02 – 10:09 p.m.

ACTION: Motion and second (Keith/Cline) to approve the appeal and deny the issuance of a revocable encroachment permit to construct a driveway on the Louise Street frontage of the property at 1825 Santa Cruz Avenue passes 3-1-1 (Noes: Carlton; Recused: Mueller).

ACTION: Motion and second (Cline/Keith) to approve **Resolution No. 6125** a resolution of intention to abandon a portion of Louise Street passes 4-0-1 (Recused: Mueller).

Vice Mayor Mueller returned to the meeting at 11:30 p.m.

F2. Adopt a resolution appropriating a total of \$400,000 from the Below Market Rate Housing Fund for FY 2012-2013; authorize the City Attorney and City Manager to take all steps necessary to resolve and settle the lawsuit filed by the City of Menlo Park against the

owners of 25 Riordan Place and the mortgage holder, and to obtain possession of the property located at 25 Riordan Place and retain the home in the City's BMR Program
([Staff report #2013-033](#))

Staff presentation by Bill McClure, City Attorney

ACTION: Motion and second (Ohtaki/Cline) to approve **Resolution No. 6126** appropriating a total of \$400,000 from the Below Market Rate Housing Fund for FY 2012-2013; authorize the City Attorney and City Manager to take all steps necessary to resolve and settle the lawsuit filed by the City of Menlo Park against the owners of 25 Riordan Place and the mortgage holder, and to obtain possession of the property located at 25 Riordan Place; bring the item back to determine keeping the house in the BMR program; and refer the information to the District Attorney for prosecution of the Salcedos passes unanimously.

F3. Consider request of Mayor Pro Tem Mueller to discuss and vote on whether to reconsider the City Council decision on March 5, 2013, regarding an appeal of the Planning Commission action regarding 1976 Menalto Avenue--action limited to vote on whether to reconsider--actual discussion of merits and whether to modify prior decision would be agendaized for a future meeting date ([Attachment](#))

Presentation by Mayor Pro Tem Ray Mueller

Public Comment

- Scott Marshall stated that there is no new information and is opposed to reconsideration of this item.
- Billy McNair stated that there is new information and he is appreciative for this reconsideration. ([PowerPoint](#))
- Manfred Kopsis spoke in opposition of reconsideration of the item.
- Jason Watson spoke in opposition of reconsideration of the item as there is no new information.
- Cathy Moran spoke in opposition of reconsideration of the item and the project as it is important to the neighbors.
- Michelle Daher spoke in opposition of reconsideration of the item and is discouraged with the process.
- Shannon Thoke stated that there was a very good discussion with the developer and there was progress; however if the item is reconsidered that progress will stop.

ACTION: Motion by Vice Mayor Mueller to reconsider the City Council decision on March 5, 2013, regarding an appeal of the Planning Commission action regarding 1976 Menalto Avenue and without a second the motion was withdrawn.

F4. Approve a comment letter on the Notice of Preparation for an Environmental Impact Report for the Peninsula Corridor Electrification Project ([Staff report #13-032](#))

NOTE: City Attorney Bill McClure announced that he has a conflict due to the proximity of his office property to the project and Vice Mayor Mueller announced he has a conflict due to the proximity of former property and are therefore recused from participating in the item and left the meeting at 12:44 a.m.

Staff presentation by Chip Taylor, Director of Public Works

ACTION: Motion and second (Cline/Keith) to approve the comment letter as amended passes 4-0-1 (Recused: Mueller).

Vice Mayor Mueller returned to the meeting at 12:54 a.m.

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
There were no legislative items discussed.

G. CITY MANAGER’S REPORT

There was no City Manager report given.

H. WRITTEN COMMUNICATION

There were no written communications.

I. INFORMATIONAL ITEMS

I1. Review of the City’s Investment Portfolio as of December 31, 2012 ([Staff report #13-025](#))
There was no staff presentation or Council questions on the item.

I2. Quarterly financial review of General Fund operations as of December 31, 2012
([Staff report #13-036](#))
There was no staff presentation on the item and Finance Director Carol Augustine answered Council questions.

I3. Update on the Housing Element environmental review ([Staff report #13-035](#))
There was no staff presentation or Council questions on the item.

J. COUNCILMEMBER REPORTS

Council Members reported their participation in meetings in compliance with AB1234 requirements.

K. PUBLIC COMMENT #2

There were public comments made.

L. ADJOURNMENT

The meeting was adjourned at 1:03 a.m.


Margaret S. Roberts, MMC
City Clerk

Minutes accepted at the Council meeting of



**CITY COUNCIL
SPECIAL MEETING MINUTES**
Tuesday, March 12, 2013 at 6:00 p.m.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers

Mayor Ohtaki called the meeting to order at 6:11 p.m. with all Council Members present.

Mayor Ohtaki led the Pledge of Allegiance

A. REGULAR BUSINESS

A1. Provide direction on the specific sites to be rezoned for higher density residential as part of the Housing Element Update ([Staff Report #13-037](#))

Staff presentation by Justin Murphy, Development Services Manager ([PowerPoint](#))

NOTE: It was announced that Mayor Ohtaki has a conflict of interest related to Middle Avenue and left the meeting at 6:48 p.m. and returned at 6:50 p.m.

Public Comment

- Elizabeth Houck requested the Council consider zoning Middle Avenue between University Avenue and El Camino Real as R2. ([Email](#))
- Tom Jackson read a letter regarding secondary dwelling units. ([Letter](#))
- Vicky Roblede stated she is concerned with some of the selections made and saddened that there has been little participation from the Belle Haven neighborhood. She is concerned about the increased traffic in an already congested area. She asked that the Council consider the impacts to the Belle Haven community.

ACTION: By consensus, Council concurs with the staff recommended sites and to continue to consider secondary dwelling units concurrently with the Housing Element with the caveat that secondary dwelling units may need to be separated at a subsequent meeting.

B. ADJOURNMENT

The meeting was adjourned at 7:58 p.m.

Margaret S. Roberts, MMC
City Clerk

Minutes accepted at the Council meeting of

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: March 26, 2013
Staff Report #: 13-047

Agenda Item #: D-6

REGULAR BUSINESS: **Adopt the 2013 City Council Goals**

RECOMMENDATION

Staff recommends the City Council adopt the proposed City Council Goals for 2013.

BACKGROUND

Council members and staff have previously set goals in order to better align staff's work plans, Commission work plans, Council priorities and, ultimately, the City budget. Until 2009, these activities had generally occurred independent of one another, contributing to a lack of clear direction and priorities for the organization. The foundational idea behind high-level Council goals and staff deliverables is that it is appropriate for Council to determine "WHAT" needs to occur and staff to determine "HOW" best to achieve those results, expressed through Council-approved deliverables to ensure accountability for goal achievement.

The City Council held a Special Meeting on February 4, 2013 to develop goals for the 2013 calendar year. The goal setting session was facilitated by Dr. Bill Mathis at the Arrillaga Family Recreation Center. The entire Council participated in the goal setting session as well as the City Manager and Executive staff.

In preparation for the session, Dr. Mathis met individually with the Mayor, each City Council member, the City Manager and collectively with the Department Head team. Based on feedback from these interviews, Dr. Mathis proposed seven goals for the City Manager and five goal areas for discussion by the City Council for refinement during the goal setting session. In addition, the City Manager documented his "Thoughts-Hopes-Goals for 2013" and the Department Head team proposed a 2013 Work Plan work.

Each of these documents was considered during the Council goal setting process and is attached.

ANALYSIS

At the meeting, the Council developed goals through the facilitated discussion. Dr. Mathis presented five subject areas based on the interviews with City Council on which to focus:

1. Economic Development directly impacting City revenues
2. Public Safety Initiatives
3. Land Use: Planning and Development
4. Organizational Capacity Initiatives
5. Infrastructure and Renewal

Each of these priority areas is discussed later in the report

At the beginning of the meeting, the City Council spent considerable time discussing goals for the City Manager which include:

1. Creating a staffing plan with a timeline and resources needed to accomplish the Council's goals.
2. Creating an Information Technology strategy to bring the City into the 21st century; providing timelines and implementation schedule with costs.
3. Creating, measuring and implementing a cultural change to a High Performance Team.
4. Broadening the Branding project within Community Services City wide to enhance the positive image of the City.
5. Preparing three initiatives for implementing a shared services model that will increase efficiency.
6. Beginning a Public Safety Initiative for disaster planning.
7. Bringing forward an evaluation of the labor market, and creating a work environment of optimism, with a team that is willing to take risks for success.

Each of these is discussed later in the report.

City Council Goals

The City Council expressed interest in a range of services and initiatives, and prioritized these into goals around five services areas. Once adopted, these goals will be reflected in the Proposed 2013-14 Budget for Council further consideration.

1. ECONOMIC DEVELOPMENT DIRECTLY IMPACTING CITY REVENUES

Update the Economic Development Plan

The City's current Business Development Plan was approved by the City Council in March 2010 when the City found itself in a time of economic uncertainty. Economic development was viewed as the primary tool to stabilize the City's fiscal condition. The Plan also requires regular updates in order to ensure the City's economic development efforts are in line with the priorities of the City Council and reflects major changes in the character of Menlo Park's economy. Importantly, updating The Plan should reflect vital strategic economic decisions made by the City Council that

have occurred since the Plan's creation, including adoption of the Downtown Specific Plan and the successful recruitment of Facebook to the City.

By June 30 – draft an updated Economic Development Plan to reflect current economic reality.

By July 31 – initiate outreach to stake holders on the proposed updates to the Plan.

By November 30 – incorporate community input into the Plan.

By December 31 – submit Draft revised plan for City Council consideration

Beautify Santa Cruz Avenue (Downtown)

There is an opinion in the community that the Downtown (Santa Cruz Avenue) is in need of physical refreshing. Council members seized that concept and prioritized beautifying the downtown as a means of infusing vitality into the area and sparking tenancy and sales. While beauty is subjective, staff has in place several plans for beautification of the downtown including replacement of the 40-year old irrigation system with a modern, water efficient system. Further, the irrigation upgrade includes replacing and/or enhancing existing vegetation to create a more attractive shopping environment. There will be a multi- year effort to implement the improvement from the Downtown Specific Plan

By June 30 – present bids to Council for a Downtown irrigation project to enhance the landscaping Downtown including options, and a funding request, for replacement of benches and trash receptacles along Santa Cruz and additional planting of annual colorful annuals

By October 1 – develop and propose a pilot storefront Façade Grant Program to help improve the overall “look” of the storefronts in Downtown and to encourage private investment in Downtown properties.

By November 1 – in collaboration with the Chamber of Commerce, expand community events to attract patrons to Downtown, including a Winter Holiday event including the lighting of a Holiday Tree in Fremont Park, which would be included in the FY 13-14 budget.

There will be ongoing efforts to engage with property/business owners to assist them in understanding and navigating Menlo Park's rigorous approval process as well as ongoing explorations for opportunities to collaborate with community stakeholders including Sunset, the Chamber of Commerce and Downtown merchants regarding beautification efforts.

2. ORGANIZATIONAL CAPACITY INITIATIVES

The City Council focused on organizational needs through discussion of the City Manager's goals found later in this report.

3. PUBLIC SAFETY INITIATIVES

Initiate Enhanced Disaster Preparedness Training

The City Council continues to express concerns as to the City's preparedness in the advent of a disaster (natural or otherwise). As the City builds stronger relationships with the Menlo Park Fire Protection District and works to retain the District to provide an enhanced level of emergency training and disaster readiness for staff, Council and the community

By July 1 – present the District response regarding opportunities for providing emergency preparation services for our organization and community.

By October 1 – implement agreement with District and initiate staff and community training.

4. LAND USE: PLANNING AND DEVELOPMENT

Initiate work on the update of the General Plan

The City's General Plan, specifically the Land Use and Circulation Elements, was last updated in 1994 and include outdated land use and traffic projections to the year 2010. The City Council has asked staff to put into place a process and related funding to comprehensively update the Plan. The update would focus on the Land Use and Circulation Elements and would include a geographic focus on the M-2 zoning area, plus other areas of the City aside from the El Camino Real and Downtown areas. Topics that will be part of the discussion would include items such as Complete Streets and a Greenhouse Gas Reduction Strategy.

By June 30 – City Council adopts a budget reflecting the needed Planning and Public Works resources to initiate the General Plan update

By July 1 – reorganize the Planning Division to create the team to work on the General Plan update.

By November 1 – Create the work program with milestones identified for the General Plan update. This project involves multiple phases including:

- Work program definition;
- Consultant selection;
- Data collection and analysis;
- Visioning;

- Plan preparation;
- Environmental and fiscal review; and
- Extensive public participation.

By December 31 – complete a request for proposal process and retain a consultant team to work on the General Plan update.

5. INFRASTRUCTURE AND RENEWAL

Improve Traffic Flow on El Camino Real

With ever-increasing concerns about the flow of traffic along El Camino Real, the City Council asked to accelerate a project in the Capital Improvement Program to study the flow of vehicles, bicycles and pedestrians along El Camino Real, particularly between the southern border of the City up to Ravenswood, and beyond, if appropriate.

By June 30 – through the budget adoption process, the City Council will prioritize capital projects to explore alternatives to add bicycle lanes and/or consider a three lane section along El Camino Real within the City limits based on the El Camino/Downtown Specific Plan This project doesn't include construction, which would be considered by future development projects or future capital projects in the CIP.

By June 30 – through the budget adoption process, the City Council will prioritize a capital project to design the conversion of the northbound right turn lane at El Camino and Ravenswood to a through lane and add a right turn lane. The construction of this improvement, if approved, would be included in the Fiscal year 14-15 budget.

By December 31 – initiate selection of the consultant to undertake these projects.

By December 31 – preset alternatives for El Camino Real within the City limits and the preliminary design for the improvements at El Camino Real and Ravenswood.

City Manager's Goals

In addition to the City Council's goals, the Council also identified seven goals for the City Manager.

1. Create a staffing plan with a timeline and resources needed to accomplish the Council's goals.

By June 30 – through the City Council Goals adoption process as well as through the Proposed 2013-14 Budget, the City Council will be able to identify and appropriate resources for each City Council goal.

2. Create an Information Technology strategy to bring the City into the 21st century. Provide timelines and implementation schedule with costs.

The Council focused on upgrading and improving technology tools as an overall need for the organization as well as providing an enhanced ability to communicate with the community. To that end, steps have already been taken to investigate various elements for a Technology Master Plan as well as estimated costs.

By April 15 – Council will approve through the mid-year review, authorization to update the City's payroll system which will upgrade automation and improve accounting functions. While no funding is needed for Fiscal Year 12-13, a significant amount of staff time and consultant time will be obligated. Once implemented, the annual expenditure will increase by approximately \$125,000 annually, plus a one-time charge spread over 24 months.

By June 30 – through the adoption of the Proposed 2013-14 Budget, Council will appropriate resources to initiate the Technology Master Plan.

By August 1 – complete installation of City's new telephone system.

By November 30 – retain a consultant to develop the Technology Master Plan.

3. Create, measure and implement a culture change to a High Performance Team with staff and City Council. (This item will be consolidated with Goal #7)

By June 30 – through the adoption of the Proposed 2013-14 Budget, Council will dedicate appropriate resources to retain a consultant to examine the organization for any deficiencies that may contribute to our ability to become the High Performing organization the City Council desires.

By September 30 – staff will retain a consultant to undertake the organizational assessment.

By December 31 – staff will present to the City Council the results of the organizational assessment and recommendations to make any needed improvements or changes.

4. Broaden the Branding project within Community Services to be Citywide to enhance the positive image of the City.

By June 1 – staff will present to the City Council a City branding strategy including a new logo.

5. Prepare three initiatives for implementing a shared services model that will share resources or increase efficiency.

City Council has encouraged cross-agency collaboration where possible. Staff will work with neighboring communities and agencies to explore opportunities to collaborate. This can include public safety, community services, administrative services and public works.

By July 1 – make contact with cities/towns of Atherton, Redwood City, East Palo Alto and Palo Alto to explore consolidation/collaboration opportunities.

By September 30 – make contact with special districts including fire, sanitation, water and schools to explore consolidation/collaboration opportunities.

6. Begin a Public Safety initiative for a disaster planning program for the City.

This is reflected in the Council's stated Public Safety Initiative above in working with Menlo Park Fire Protection District in providing this service to the City.

7. Bring forward an evaluation of the labor market, and create a work environment of optimism, willing to take risks for successes.

(This item will be consolidated with Goal #3)

CONCLUSION

By prioritizing goals, the Council messages to itself, the organization and perhaps, most importantly, the community, what the Council plans to accomplish in the year. Goal setting is difficult at the beginning of the calendar year because resources cannot be appropriated until the Council adopts its fiscal year budget. Nonetheless, the Proposed 2013-14 Budget will reflect costs to implement these goals. The Proposed 2013-14 Budget will also reflect resources needed to support Departmental work plans reflecting the Council goals and aligning priorities throughout the organization.

Staff will report progress on the Goals to the City Council on a quarterly basis concurrent with the quarterly financial updates.

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

Signature on file

Alex D. McIntyre
City Manager

PUBLIC NOTICE

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

ATTACHMENTS

- A. Original Agenda from Dr. Bill Mathis
- B. Original Memorandum from City Manager
- C. Original Department Workplans



City of Menlo Park
Goal Setting and New Council Orientation

Facilitator: Dr. Bill Mathis	9:00 a.m. – 1:00 p.m.
Scribe: Janice	3:00 – 6:30 p.m.
	6:30 p.m. Social Hour

Theme: Becoming a High Performance Council

(9:00 a.m. ~ 1:00 p.m. Council and Manager)

I. Elements of a High Performance Council

- Guidelines for Professional Conduct between Council members; council-Staff?
- Clear and prioritized goals that are attainable and measured with timelines.
- Establish City Manager Goals with expectations and measurement process.
- Allocate resources for the above?
- Strong-minded, educated and results oriented Board that has a Focused Plan.

II. Themes from Council-Manager Interviews

- We are anxious and excited to get the City moving with ambitious goals and positive direction.
- Council was clear and articulate, but all parties aren't listening yet? There is a small group of distractors to moving the City forward.
- We think that Alex is a change agent and we're ready to light the pilot light of quick wins.
- Business-friendly, growth, and high quality development must be important this year. We have to be clear for the financial stability of new challenges and staffing.
- Increased revenue and financial stability is a goal? Who's goal? City Manager's or Council's?

- What is our strategy for working with Facebook (FB) to utilize full impact for the City?
- Discuss and initiate image-building for the City, improve outreach and branding. Whose role and plan? Celebrate successes.
- Two pictures of Menlo Park (Belle Haven vs. rest of City); seems to stop our discussion. Define new initiative.
- Schools must be partners in going forward (i.e., shared services, programs). Whose program and who is in charge of this initiative?

Council Goals Discussion

(3:00 – 6:30 P.M.)

A. Invest in Economic Development that directly impacts City revenues.

- New Economic Development Director and Initiatives
- Downtown Focus first?
- Update Current Economic Development Strategy
- El Camino Real Project
- Hotel Development
- Incubator Opportunities (Bio-Tech/Business Development Park)
- Belle Haven/East Palo Alto development options
- Facebook opportunities
- M.T.C.

B. Public Safety Initiatives

C. Land Use: Planning and Development

- Belle Haven
- Housing Element
- Defined Business Practices

D. Organizational Capacity Initiatives

E. Infrastructure and Renewal

Suggested City Manager Goals

- 1.** The city Manager shall create a plan for staffing patterns and necessary skilled resources to accomplish council's 2013 goals! Bring this plan with timelines back to Council within 60 days after the Council Goal-Setting.
- 2.** Create an I.T. strategy with staff and consultants to support bringing the City into the 21st century leaders in the Silicon Valley that supports and hosts all City activities (i.e., Planning, Building, City functions, calendars, etc.). Provide timelines and implementation schedule with costs.
- 3.** Create, measure and implement a culture change of High Performance with staff. Begin this year. Complete culture survey process with Council included in the Vision.
- 4.** Within the context of the above initiatives, create with Council initiatives that project the positiveness of Menlo Park, branding, and enhanced image of the City.
- 5.** Discuss and prepare three initiatives for implementing a shared services model that will share resources or increase efficiency (i.e., fleet maintenance, I.T. staffing).
- 6.** Begin a Public Safety initiative for disaster planning program for the City.
- 7.** Bring forward a salary program (raise) and new expectations for staff with optimism and change-oriented attitude (be bold!).

Thoughts/Hopes/Goals for 2013

- 1. Enhance public communications and public engagement – Start a program of story telling**
 - a. Once the Assistant to the City Manager is on board, implement a Facebook-specific social media outreach/communications effort.
 - b. Enhance relationships with the print media.
 - c. Increase the number and variety of press releases.
 - d. Enhance the Digest for broader outreach and stories.
 - e. Initiate update/improvements to the City's website.
 - f. Continue to engage the public on new branding effort.
 - g. Complete Belle Haven Community Visioning process.

- 2. Assure Fiscal Accountability and Financial Certainty**
 - a. Undertake operational review of the Administrative Services Department and implement accordingly.
 - b. Explore and if possible, implement a new budget format aimed at better communicating our financial picture.
 - c. Receive and review monthly budget reports and have department heads do the same.
 - d. Conduct 5-year forecast for revenues in light of proposed developments.
 - e. Invest Excess One-Time Funds into strategic initiatives (e.g., technology upgrades).
 - f. Retain a Legislative Advocate to better position the City to affect State legislation as well as to better position the City for grants funds.

- 3. Determine appropriate staffing and resource management for the organization**
 - a. Determine if staffing capacity and expectations align. Implement accordingly.
 - b. Gain CC approval to adjust staffing for development services work.
 - c. Review compensation policy and adjust accordingly.
 - d. Successfully complete labor negotiations with bargaining units.

- 4. Invest in economic development activities that directly impact the City revenues**
 - a. Onboard the City's new Economic Development Manager.
 - b. Focus Economical Develop efforts initially in the downtown.
 - c. Explore options for investing in and/or developing at least one of the Downtown Specific Plan unfunded/pilot programs.
 - d. Update City's current Economic Development Strategy.

- 5. Continue to invest in proven public safety strategies**
 - a. Onboard the City's new Police Chief.
 - b. Complete and implement operational review of Police Department and initiate implementation of plan.
 - c. Explore reorganizing around the vacant Police Commander position.
 - d. Complete negotiations and potentially transfer disaster planning to the Menlo Park Fire Protection District.

Thoughts/Hopes/Goals for 2013

- e. Finalize outstanding issues with the existing and future Police Sub-station in Belle Haven.
- 6. Strengthen the Management Team**
- a. Include management team in Council Goals Setting.
 - b. Schedule and conduct Management Team Building process.
 - c. When appropriate, continue to attract and retain leadership staff that has the fundamental skills to do the job, but has unrestrained energy and enthusiasm for the work.

DRAFT

2013 Work Plan

Police Department

- Transition new Chief and establish a Command Staff (possible re-organization)
- Analyze organizational review, identify key issues and develop a strategic action plan
- Continue Community Outreach and engagement in Belle Haven neighborhood
- Research and identify technology to enhance community safety
- Establish contract with Menlo Park Fire Department for emergency preparedness services and enhance Citizen Emergency Response Team Program
- Continue regional violence reduction strategies - Operation SMART to reduce and combat violence

Community Services Department

- Complete the Belle Haven Visioning Process
- Present the results of the City wide branding project, including a logo update and graphic standards to the City Council by June 30, 2013
- Develop and implement customer service standards
- Evaluate the proposed organizational structure in terms of customer service and cost by June 30

Community Development

- Implement staffing plan to maintain timely processing of increasing number of current and pending large scale development projects
- Complete review of the Facebook West campus entitlements
- Prepare for and complete first annual review of the Specific Plan by Sept. 2013
- Complete the Housing Element Update for Planning Periods 1999-2014, and related General Plan Consistency Update and Zoning Ordinance Amendments
- Establish work priorities for implementing adopted Housing Element programs and initiate work, including:
 - Amending zoning to protect existing housing
 - Establishing density bonus and other incentives for special needs housing
 - Modifying development standards to encourage infill housing
 - Modifying R-2 zoning to maximize unit potential
 - Adopting standards for an "Affordable Housing Overlay Zone"
 - Implementing inclusionary housing regulations and adopting standards to implement State Density Bonus Law
 - Modifying second dwelling unit development standards and permit process

- Refining multi-family and residential mixed use design guidelines
- Prepare work plan and initiate work on the Housing Element Update for Planning Period 2014-2022 by August 2013
- Prepare work plan and initiate first phases of work for the General Plan Comprehensive Update, with special focus on the M2 area, by October 2013
- Document and develop modifications to the entire development entitlement and construction process to increase efficiency, clarity and consistency

Public Works

- Review organization structure and implement changes to dedicate and align resources to complete CIP projects in a timely manner including electronic project tracking and providing data illustrating the impact of adding projects on the current projects
- Implement staffing plan to maintain the ability to process development projects in a timely manner
- Prioritize necessary resources to begin construction of the Sharon Heights pump station and the Emergency wells project this year due to their vital need in the community
- Document and develop modifications to the entire development entitlement and construction process to increase efficiency, clarity and consistency
- Develop a standardized electronic filing system for all Public Works records to provide clear organization and easy accessibility

Library

- Evaluate organizational structure for ability to continue services as retirements decrease depth of technical knowledge
- Complete implementation of Radio Frequency Identification (RFID) circulation project with installation of the Automated Materials Handling System and patron Self Check-in Station
- Design and implement discovery layer interface for access to the library catalog
- Plan and implement a print on-demand, self-publishing service in coordination with Kepler's Bookstore

Administrative Services

- Orient new Council Members
- Undertake and complete an independent departmental organizational evaluation
- Issue an RFP for Legislative Advocacy for the City and present to City Council
- Develop a Technology Master Plan to assist in the identification of priorities and strategies for implementation new technology
- Complete the Police Services Study

City Clerk Office

- Evaluate and standardize records retention and maintenance throughout the organization
- Research and propose a more community friendly approach to the City Council agenda presentation
- Research the cost and efficiencies associated with on line filing of Form 700 and Campaign Finance Forms

Information Services

- Complete implementation of a new phone system and train users
- Evaluate and pursue the best path for a Technology Master Plan
- Assist in the payroll transition
- Assist in updating the payroll software
- Assist in an evaluation and update of the website

Human Resources

- Resolve contract negotiations between the City and POA and PSA by 6/30/13
- Resolve contract negotiations between the City and AFSCME and SEIU prior to the expiration of the current contracts in October 2013
- Revise/update City Policies/establish a "City Policy Manual"
- Undertake a more comprehensive approach to training city wide

Finance

- Fully transition Payroll to the Finance Department and resolve transition issues
- Implement third tier of retirement benefits and the new layers of ineligible benefits for first and second tier retirement benefits.
- Develop an RFP and evaluation for an Enterprise Resource Planning software selection process. Evaluate staffing based on organizational needs.
- Work closely with fiscal and sales tax consultants as development projects are advanced to support creation of a diverse, stable and sustainable economic base
- Council analysis and commitment of the "expenditure of one-time monies" policy to advance the goal of updating of fiscal policies

Economic Development

- Relationship building/management with Developers
 - Setting appropriate expectations with development community, while maintaining confidence in the City's commitment to assisting with good development

- Help to communicate City's expectations for development and "public benefit"
- Document and develop modifications to the entire development entitlement and construction process to increase efficiency, clarity and consistency
- Increased engagement with the various Economic Development Associations
- Update the Business Development Plan (Economic Development Plan)
- Develop an economic opportunity analysis

DRAFT

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701 Laurel Street, Menlo Park, CA 94025
Telephone (650) 330-6610 www.menlopark.org

March 6, 2013

Peter Ohtaki
Mayor
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

Dear Peter,

Attached is a letter from the City of Redwood City Mayor Alicia Aguirre inviting participation on the Blue Ribbon Task Force to consider changes to South Bayside Waste Management Authority (SBWMA) Governance Structure and Board Composition. I am requesting that this be agendaized for a future City Council meeting to appoint either a staff member or Council Member to participate on the Task Force.

I appreciate your consideration of this request.

Sincerely,

A handwritten signature in black ink that reads "Kirsten Keith". The signature is written in a cursive, flowing style.

Kirsten Keith
Council Member

IF THIS REQUEST IS APPROVED ON THE CONSENT CALENDAR, THE ITEM WILL BE SCHEDULED FOR THE APRIL 16, 2013 COUNCIL MEETING FOR DISCUSSION.

Mayor Alicia C. Aguirre
Vice Mayor Jeffrey Gee

Council Members
Ian Bain
Rosanne S. Foust
Jeff Ira
Barbara Pierce
John D. Seybert



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Redwood City, California 94063
Telephone (650) 780-7220
FAX (650) 261-9102
www.redwoodcity.org

December 7, 2012

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

(also sent via email c/o City Clerk)

Subject: Invitation to Participate on Blue Ribbon Task Force to Consider Changes to South Bayside Waste Management Authority (SBWMA) Governance Structure and Board Composition

Honorable Mayor Ohtaki and Council Members,

As you know, there have been discussions among city managers, staff, and elected officials of SBWMA's member agencies about the desire to analyze and explore possible changes to SBWMA's governance structure and board composition. With a majority of member agencies indicating in writing their desire to examine such changes, my colleagues and I on the City Council of Redwood City, unanimously agree that a full exploration of this question is best accomplished through the formation of a Blue Ribbon Task Force. This letter is your invitation to participate on this important Task Force.

Your agency's participation on this Task Force, either by appointing an elected official or a high-level staff member, is crucial. Even if you responded earlier with your perspective on examining possible structural changes, I would request to hear from your jurisdiction on the question of Task Force participation as well. You may want to advise your City Manager that you would like to participate on the Task Force, and ask he/she to notify Redwood City's City Manager Bob Bell at bbell@redwoodcity.org or via phone at (650) 780-7300 by the first week in February.

The staff report on this matter can be found on Redwood City's website, at www.redwoodcity.org/government/council/meetings.html (select the December 3 meeting Agenda and see item number 8C).

A fully representative Task Force will provide the best opportunity for the variety of interests related to this issue to be fully identified and explored, and will result in the maximum number of quality ideas and options for the group to consider.

Thank you for your consideration, and we look forward to hearing from your jurisdiction as to your preference for serving on the Blue Ribbon Task Force.

Sincerely,

A handwritten signature in black ink, appearing to read "Alicia C. Aguirre". The signature is written in a cursive style with a large initial "A".

Alicia C. Aguirre
Mayor

C: Members, City Council Redwood City
Robert B. Bell, City Manager



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: March 26, 2013

Staff Report #: 13-038

Agenda Item #: D-8

CONSENT CALENDAR: Approve a resolution modifying City Council Policy CC-01-0004: Commissions/Committees Policy and Procedures and Roles and Responsibilities; and receive an update on recruitment

RECOMMENDATION

Staff recommends that the City Council approve a resolution modifying City Council Policy CC-01-0004: Commissions/Committees Policy and Procedures and Roles and Responsibilities as outlined below and receive an update on recruitment.

- Eliminate the Arts Commission immediately
- Eliminate the Las Pulgas Committee immediately
- Wind down and discontinue the Housing Commission upon completion of the current Housing Element update
- Remove the reference to the Community Mediation Service from the Policy
- Discontinue the Finance & Audit Committee
- Convert the Parks & Recreation Commission from seven to five members
- Require all non-regulatory advisory bodies to meet in conference rooms on the Civic Center Campus

BACKGROUND

The City currently has eight active and two inactive advisory bodies. The Planning Commission is both advisory and regulatory and organized according to the Municipal Code (Chapter 2.12) and State statute (GC 65100 et seq., 65300-65401). The remaining advisory bodies were established by resolution and their primary role is to advise the City Council on policy matters or to review specific issues as directed by the City Council.

At the January 8, 2013 Council meeting, Council received the annual attendance reports for each advisory body which contained two key findings. Recruitment for potential Commission appointments is difficult and fairly unproductive. In addition, Commission attendance has been uneven resulting in a challenge in obtaining a quorum for meetings. The ability to complete projects such as the Housing Element and the Specific Plan on time is impacted if the advisory bodies charged with reviewing and commenting are unable to convene due to a lack of a quorum.

The Council requested staff to return with recommendations regarding the advisory bodies and to provide an update on recruitment.

ANALYSIS

Vacancies

From January 2010 through December 2012, there have been a total of 46 vacancies. Of those 33 were from terms expiring and 13 were from resignations. Out of the 46 vacancies, 23 were commissioners eligible for reappointment. Attachment A shows the breakdown of those vacancies by advisory body. Of the five current vacancies, three are from resignations and two from members being elected to City Council. The current recruitment notice is for all of 2013, recruiting for a total of 27 positions.

Recruitment

In May of 2005, the Council approved a consolidation plan to have all terms expiring on April 30 with a maximum of two vacancies per year per Commission. The plan will be fully in place this year in October. Including the current vacancies, a total of 24 positions will need to be filled in 2013.

The average time for recruitment varies depending on the advisory body (see below). The current standard is to present two applicants for each vacancy. In some instances, that has been difficult or impossible and has delayed Commission appointments, which further adds to the challenge to achieve a quorum.

<u>Advisory Body</u>	<u>Recruitment time</u>
Bicycle Commission	Average of 4 months
Environmental Quality Commission	Average of 2 months
Finance & Auditing Committee	Over 1 year
Housing Commission	Average of 7 months
Library Commission	Average of 4.5 months
Parks & Recreation Commission	Average of over 6 months
Planning Commission	Average of over 3 months
Transportation Commission	Average of over 2 months

There are several recruitments that have been ongoing for some time, with few, if any applications being received. For example, with the Parks and Recreation Commission, the current recruitment has been ongoing since August 2012 for one position to fill a vacancy created by an expiring term with only one application; they now have a second vacancy created when Council Member Carlton was elected to the City Council. It should be noted that the Parks and Recreation has not been able to achieve a quorum for the past four months.

When a vacancy occurs, the City Clerk contacts the applicants to confirm their continued interest in being appointed. Notices for vacancies are published in the newspaper, posted on the City's website, posted in the Council Chambers bulletin board. Staff liaisons also notify their respective advisory body. The challenge for

recruitment is broader than just Menlo Park. City Clerks statewide have seen a drop in interested residents and are also struggling to fill commission vacancies. City Council Members reaching out to residents and encouraging them to apply has been one of the most successful tools in the past. When a Council Member reaches out to a resident, there is a tendency to feel honored and flattered by Council's interest, and often follow through by filing an application. Applications remain active for a period of one year from the time the application is received. They are then moved to the inactive files.

In 2010, City Council approved a plan to consolidate recruitment in an effort to create staff time efficiencies by reducing the number of separate recruitments, to allow broader, more intense outreach in the community and create a larger applicant pool. This has been successful for staff time efficiencies and more outreach, however it has not created a larger applicant pool.

Arts Commission

The Arts Commission has not met since November 15, 2004. While the purpose of an Arts Commission is valuable, there is inadequate staff capacity to support this Commission. Staff is recommending that the Council formally disband this Commission.

Bicycle Commission

The Bicycle Commission has very little turnover other than expiring terms. Staff is not recommending any changes to this Commission.

Environmental Quality Commission

The Environmental Quality Commission has had numerous vacancies since 2010 due to terms expiring and members resigning. However, applications are received quickly. Staff is not recommending any changes to this Commission.

Finance & Audit Committee

The Finance & Audit Committee was originally created in 2007 and charged with the primary responsibility to facilitate public confidence in and understanding of the City's financial reports. This was accomplished by creating the current format used for the quarterly financial reports that are placed on Council meeting agendas as informational items.

The following were specific duties listed to accomplish the charge:

- To support the development of a plan to deliver timely, clear and comprehensive reporting of the City's fiscal status to the community at large.
 - This has been successfully developed and implemented.
- To establish a process for periodic financial report to the Council public.

- This has been accomplished with the quarterly financial reports that are brought to the Council.
- Annually review status of financial audit and annual financial report with the City's external auditors; review resolution of prior year audit findings.
 - The Committee has accomplished this each year.
- Review of auditor selection process and scope, as needed.
 - This was accomplished during the last selection process
- Annual review of the City's investment portfolio
 - The Committee has annually reviewed the investment portfolio.

Staff has been recruiting for two of the three citizen appointments since December 2011 with only two applications received. Two members continue to serve with terms that expired January 31, 2012. The third public member has a term that will expire April 30, 2013. With a lack of applications over the past 15 months, staff is recommending that the Council discontinue the Committee and instead, replace it with a City Council Finance and Audit Sub-Committee.

Housing Commission

The Housing Commission was established in 1988 and charged with a variety of housing tasks. With the dissolution of the Community Development Agency and elimination of the Housing Division, the City has outsourced the loan program, and Below Market Rate (BMR) programs. The Housing Division was eliminated with the dissolution and the responsibility for supporting the Commission has transferred to the City Manager's Office and the Planning Division.

The City is completing the Housing Element Update with members of the Housing Commission serving on the Task Force. There are currently two vacancies on the Commission with no applications on file. Staff has been continually recruiting for this Commission since February of 2012. Two of the members have terms that expire in 2013, one in April and one in October. With these two positions, that would leave only three active commissioners.

Staff is recommending that the Council change the membership of the Commission to be five members at this time. Upon approval of the current Housing Element, staff is recommending the Council disband the Commission. Upon disbanding the Housing Commission, the remaining three members could be asked about their interest in continuing to serve the City on a different commission.

Las Pulgas Committee

The Las Pulgas Committee has not met since October 18, 2006. With the dissolution of the Community Development Agency, the need for this Committee no longer exists. Staff is recommending that the Council formally disband this Committee.

Library Commission

Staff is not recommending any changes to the Library Commission.

Parks and Recreation Commission

As noted earlier, the Parks and Recreation Commission has not been able to obtain a quorum for the past four meetings. This has made it impossible to obtain the desired input on projects such as the Housing Element and Downtown Specific Plan.

Staff is recommending reducing the number of Commissioners from seven to five as a means of being able to do the meaningful work set out in its mission and work plan.

Planning Commission

A position on the Planning Commission will expire on April 30. There are currently eight applications on file for the upcoming vacancy. Staff is working on coordinating a meeting date to conduct the interviews.

Staff is not recommending any changes to the Planning Commission.

Transportation Commission

Staff is recommending that the Transportation Commission change their meeting location to a conference room on the Civic Center Campus. This would be consistent with all other non-regulatory Advisory Bodies and better supports an opportunity for community engagement and input. Staff is recommending no other changes to the Transportation Commission.

Community Mediation Services

This service is no longer offered by the City and staff is recommending the deletion of any reference of this service.

IMPACT ON CITY RESOURCES

Staff would have additional time for other tasks by Council the approving to disband the recommended Advisory Bodies.

POLICY ISSUES

Approval of staff recommendations would be change City Council Policy CC-01-004.

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

Signature on file

Margaret S. Roberts, MMC
City Clerk

PUBLIC NOTICE

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

ATTACHMENT

- A. Vacancy breakdown
- B. Proposed policy changes – redline and final version
- C. Current policy
- D. Resolution

BICYCLE COMMISSION

# of Vacancies	Recruitment left open for:	# of Aps Rec'd	# of Incumbents		Date Appointments made	Comments
			Eligible to apply	That applied		
3	4 Months	4	3	3	4/26/2011	1 new applicant and 3 incumbents
1	4 Months	3	0	0	9/18/2012	3 new applicants

Totals by

Year	Expired Term	Resigned
2010	0	0
2011	3	0
2012	0	1

ENVIRONMENTAL QUALITY COMMISSION

# of Vacancies	Recruitment left open for:	# of Aps Rec'd	# of Incumbents		Date Appointments made	Comments
			Eligible to apply	That applied		
2	2 1/2 Months	3	2	0	8/24/2010	4 new applicants and 1 incumbent
1	30 Days	2	1	0	12/14/2010	2 new applicants
1	3 Months	2	0	0	7/19/2011	2 new applicants
3	4 Months	4	1	1	1/24/2012	3 new applicants and 1 incumbent
2	2 Months	3	1	1	9/18/2012	2 new applicants and 1 incumbent

Totals by

Year	Expired Term	Resigned
2010	2	1
2011	0	1
2012	4	1

FINANCE & AUDIT COMMITTEE

# of Vacancies	Recruitment left open for:	# of Aps Rec'd	# of Incumbents		Date Appointments made	Comments
			Eligible to apply	That applied		
1	2 Months	2	1	1	1/25/2011	1 new applicant and 1 incumbent
2	Since 12/2011	1	0	0	Not yet made	1 new applicant

Totals by

Year	Expired Term	Resigned
2010	0	0
2011	1	0
2012	2	0

HOUSING COMMISSION

# of Vacancies	Recruitment left open for:	# of Aps Rec'd	# of Incumbents		Date Appointments made	Comments
			Eligible to apply	That applied		
2	2-1/2 Months	3	0	0	8/31/2010	3 new applicants
2	6 Months	5	1	1	2/14/2012	4 new applicants and 1 incumbent
2	Since 02/2012	0	0	0	Not yet made	

Totals by

Year	Expired Term	Resigned
2010	0	2
2011	2	0
2012	1	1

LIBRARY COMMISSION

# of Vacancies	Recruitment left open for:	# of Aps Rec'd	# of Incumbents		Date Appointments made	Comments
			Eligible to apply	That applied		
3	5 Months	3	3	1	5/24/2011	2 new applicants and 1 incumbent
1	4 Months	2	1	0	9/18/2012	2 new applicants

Totals by

Year	Expired Term	Resigned
2010	0	0
2011	3	0
2012	1	0

PARKS & RECREATION COMMISSION

# of Vacancies	Recruitment left open for:	# of Aps Rec'd	# of Incumbents		Date Appointments made	Comments
			Eligible to apply	That applied		
3	3-1/2 Months	5	2	2	9/28/2010	3 new applicants and 2 incumbents
1	7 Months	3	0	0	7/19/2011	3 new applicants
2	Since 05/2012	1	0	0	Not yet made	

Totals by

Year	Expired Term	Resigned
2010	3	0
2011	0	1
2012	1	1

PLANNING COMMISSION

# of Vacancies	Recruitment left open for:	# of Aps Rec'd	# of Incumbents		Date Appointments made	Comments
			Eligible to apply	That applied		
3	4 Months	8	2	2	5/4/2010	6 new applicants and 2 incumbents
1	2 Months	14	0	0	1/25/2011	10 new applicants and 2 incumbents
1	4 Months	14	1	1	4/5/2011	No new applicants and 1 incumbent
3	5 Months	12	2	2	10/9/2012	1 new applicants and 2 incumbents

Totals by

Year	Expired Term	Resigned
2010	3	0
2011	1	1
2012	2	1

TRANSPORTATION COMMISSION

# of Vacancies	Recruitment left open for:	# of Aps Rec'd	# of Incumbents		Date Appointments made	Comments
			Eligible to apply	That applied		
1	4 Months	3	0	0	4/6/2010	3 new applicants
2	45 Days	5	1	1	7/20/2010	2 new applicants and 1 incumbent
2	2 Months	5	1	0	11/15/2011	4 new applicants
1	Since 12/2012	2	0	0	Not yet made	

Totals by

Year	Expired Term	Resigned
2010	2	1
2011	2	0
2012	0	1

DUMBARTON RAIL CITIZEN ADVISORY PANEL

# of Vacancies	Recruitment left open for:	# of Aps Rec'd	# of Incumbents		Date Appointments made	Comments
			Eligible to apply	That applied		
3	4 Months	4	2	3	4/6/2010	1 new applicant and 3 incumbents
1	Since 05/2011	0	0	0	Not yet made	
3	Since 05/2012	0	0	0	Not yet made	

Totals by

Year	Expired Term	Resigned
2010	3	0
2011	0	1
2012	3	0

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Purpose

To define policies and procedures and roles and responsibilities for Menlo Park appointed ~~Commissions and Committees~~ Advisory Bodies.

Authority

Upon its original adoption, this policy replaced the document known as “Organization of Advisory Commissions of the City of Menlo Park”.

Background

The City of Menlo Park currently has ~~eight-six~~ active ~~and three inactive Commissions and Committees~~ Advisory Bodies. They ~~active advisory bodies~~ are: Bicycle Commission, Environmental Quality Commission, ~~Finance and Audit Committee, Housing Commission,~~ Library Commission, Parks and Recreation Commission, Planning Commission, and Transportation Commission. ~~The inactive advisory bodies are the Arts Commission, Community Mediation Service Committee and the Las Pulgas Committee.~~ Those not specified in the City Code are established by City Council ordinance or resolution. Most of these advisory bodies are established in accordance with Resolution 2801 and its amendments. Within specific areas of responsibility, each advisory body has a primary role of advising the City Council on policy matters or reviewing specific issues and carrying out assignments as directed by the City Council or prescribed by law.

~~Seven-Five~~ of the ~~eight-six Commissions and Committees~~ Advisory Bodies listed above are advisory in nature. The Planning Commission is both advisory and regulatory and organized according to the City Code (Ch. 2.12) and State statute (GC 65100 et seq., 65300-65401).

The City has an adopted Anti-Harassment and Non-Discrimination Policy (CC-95-001), and a Travel and Expense Policy (CC-91-002), which are also applicable to all advisory bodies.

Policies and Procedures**A. Relationship to Council, Staff and Media**

1. Upon referral by the Council, the ~~Commission/Committee~~ Advisory Body shall study referred matters and return their recommendations and advise to the Council. With each such referral, the Council may authorize the City staff to provide certain designated services to aid in the study.
2. Upon its own initiative, the ~~Commission/Committee~~ Advisory Body shall identify and raise issues to Council’s attention and from time to time survey pertinent matters and make recommendations to the Council.
3. At a request of a member of the public, the ~~Commission/Committee~~ Advisory Body may consider appeals from City actions or inactions in pertinent areas and, if deemed appropriate, report and make recommendations to the Council.

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4. Each April the ~~Commissions and Committees~~ Advisory Body and their support staff shall review their approved work plans and modify if needed. If changed, the work plan must be taken to the Council for approval.
5. ~~Commissions and Committees~~ Advisory Body should not become involved in the administrative or operational matters of City departments. Members may not direct staff to initiate major programs, conduct large studies, or establish department policy. City staff assigned to furnish staff services shall be available to provide general staff assistance, such as preparation of agenda/notice materials and minutes, general review of department programs and activities, and to perform limited studies, program reviews, and other services of a general staff nature. ~~Commissions and Committees~~ Advisory Body may not establish department work programs or determine department program priorities. The responsibility for setting policy and allocating scarce City resources rests with the City's duly elected representatives, the City Council.
6. Additional or other staff support may be provided upon a formal request to the City Council.
7. The Staff Liaison shall act as the Commission's lead representative to the media concerning matters before the Commission. Commission members should refer all media inquiries to their respective Liaisons for response. Personal opinions and comments may be expressed so long as the Commissioner clarifies that his or her statements do not represent the position of the City Council.
8. Commission and Committee Members will have mandatory training every two years regarding the Brown Act and parliamentary procedures. The Commission and Committee Members may have the opportunity for additional training, such as training for Chair and Vice Chair. Failure to comply with the mandatory training will be reported to the City Council and may result in replacement of the member by the Council.

B. Recommendations, Requests and Reports

Near the beginning of each regular Council meeting, there will be an item called "Commission/Committee Vacancies, Appointments and Reports". At this time, ~~Commissions and Committees~~ Advisory Bodies may submit recommendations or reports in writing and may request direction and support from the City Council. Such requests shall be communicated to the Staff Liaison in advance, including any written materials, so that they may be listed on the agenda and distributed with the agenda packet. The materials being provided to the Council must be approved by a majority of the ~~Commission~~ Advisory Body at a ~~Commission~~ meeting prior to submittal to the City Council. The Council will receive such reports and recommendations and, after suitable study and discussion, respond or give direction.

C. Council Referrals

The Assistant City Manager shall transmit to the designated Staff Liaison all referrals and requests from the City Council for advice and recommendations. The ~~Commissions/Committees~~ Advisory Bodies shall expeditiously consider and act on all referrals and requests made by the City Council and shall submit reports and recommendations to the City Council on these assignments.

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D. Public Appearance of ~~Commission/Committee~~ Advisory Body Members

When an ~~Commission/Committee~~ Advisory Body member appears in a non-official, non-representative capacity before the public, for example in a Council meeting, the member shall indicate that he or she is speaking only as an individual. If the ~~Commission/Committee~~ Advisory Body member appears as the representative of an applicant or a member of the public, the Political Reform Act may govern this appearance. In addition, in certain circumstances, due process considerations might apply to make an ~~Commission/Committee~~ Advisory Body member's appearance inappropriate. Conversely, when a member who is present at a Council meeting is asked to address the Council on a matter, the member should represent the viewpoint of the particular ~~Commission/Committee~~ Advisory Body as a whole (not a personal opinion).

E. Disbanding of Advisory Body

Upon recommendation by the Chair or appropriate staff, any standing or special advisory body, established by the City Council and whose members were appointed by the City Council, may be declared disbanded due to lack of business, by majority vote of the City Council.

F. Meetings and Officers

1. Agendas/Notices/Minutes

- All meetings shall be open and public and shall conduct business through published agendas, public notices and minutes and follow all of the Brown Act provisions governing public meetings. Special, cancelled and adjourned meetings may be called when needed, subject to the Brown Act provisions.
- Support staff for each ~~Commission/Committee~~ Advisory Body shall be responsible for properly noticing and posting all regular, special, cancelled and adjourned meetings. Copies of all meeting agendas, notices and minutes shall be provided to the City Council, City Manager, City Attorney, City Clerk and other appropriate staff, as requested.
- Original agendas and minutes shall be filed and maintained by support staff in accordance with the City's adopted Records Retention Schedule.

2. Conduct and Parliamentary Procedures

- Unless otherwise specified by State law or City regulations, conduct of all meetings shall generally follow Robert's Rules of Order.
- A majority of ~~Commission/Committee~~ Advisory Body members shall constitute a quorum and a quorum must be seated before official action is taken.
- The Chair of each ~~Commission/Committee~~ Advisory Body shall preside at all meetings and the Vice Chair shall assume the duties of the Chair when the Chair is absent.

3. Lack of a Quorum

- When a lack of a quorum exists at the start time of a meeting, those present will wait 15 minutes for

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additional members to arrive. If after 15 minutes a quorum is still not present, the meeting will be adjourned by the staff liaison due to lack of a quorum. Once the meeting is adjourned it cannot be reconvened.

- The public is not allowed to address those commissioners present during the 15 minutes the ~~Commission/Committee~~ Advisory Body is waiting for additional members to arrive.
- Staff can make announcements to the members during this time but must follow up with an email to all members of the body conveying the same information.
- All other items shall not be discussed with the members present as it is best to make the report when there is a quorum present.

4. Meeting Locations and Dates

- Meetings shall be held in designated City facilities, as noticed.
- All ~~Commissions/Committees~~ Advisory Bodies with the exception of the Planning Commission shall conduct regular meetings once a month. Special meetings may also be scheduled as required by the ~~Commission/Committee~~ Advisory Body. The Planning Commission shall hold regular meetings twice a month.
- Monthly regular meetings shall have a fixed date and time established by the ~~Commission/Committee~~ Advisory Body. Changes to the established regular dates and times are subject to the approval of the City Council. An exception to this rule would include any changes necessitated to fill a temporary need in order for the ~~Commission/Committee~~ Advisory Body to conduct its meeting in a most efficient and effective way as long as proper and adequate notification is provided to the Council and made available to the public.
- Each ~~Commission/Committee~~ Advisory Body may establish other operational policies subject to the approval of the City Council. Any changes to the established policies and procedures shall be subject to the approval of the City Council.

5. Selection of Chair and Vice Chair

- The Chair and Vice Chair shall be selected in May of each year by a majority of the members and shall serve for one year or until their successors are selected.
- Each ~~Commission/Committee~~ Advisory Body shall annually rotate its Chair and Vice Chair.

G. Memberships

Appointments/Oaths

1. The City Council is the appointing body for all ~~Commissions and Committees~~ Advisory Bodies. All members serve at the pleasure of the City Council for designated terms.
2. All appointments and reappointments shall be made at a regularly scheduled City Council meeting, and require an affirmative vote of not less than a majority of the Council present.

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3. Prior to taking office, all members must complete an Oath of Allegiance required by Article XX, §3, of the Constitution of the State of California. All oaths are administered by the City Clerk or his/her designee.
4. Appointments made during the middle of the term are for the unexpired portion of that term.

Application/Selection Process

1. The application process begins when a vacancy occurs due to term expiration, resignation, removal or death of a member.
2. The application period will normally run for a period of at least four weeks from the date the vacancy occurs. ~~If there is more than one concurrent vacancy in a Commission, the application period may be extended.~~ Applications are available from the City Clerk's office and on the City's website.
3. The City Clerk shall notify members whose terms are about to expire whether or not they would be eligible for reappointment. If reappointment is sought, an updated application will be required.
4. Applicants are required to complete and return the application form for each Commission/Committee Advisory Body they desire to serve on, along with any additional information they would like to transmit, by the established deadline. Applications sent by fax, email or submitted on-line are accepted; ~~however, the form submitted must be signed.~~
5. After the deadline of receipt of applications, the City Clerk shall schedule the matter at the next available regular Council meeting. All applications received will be submitted and made a part of the Council agenda packet for their review and consideration. If there are no applications received by the deadline, the City Clerk will extend the application period for an indefinite period of time until sufficient applications are received.
6. Upon review of the applications received, the Council reserves the right to schedule or waive interviews, or to extend the application process in the event insufficient applications are received. In either case, the City Clerk will provide notification to the applicants of the decision of the Council.
7. If an interview is requested, the date and time will be designated by the City Council. Interviews are open to the public.
8. The selection/appointment process by the Council shall be conducted open to the public. Nominations will be made and a vote will be called for each nomination. Applicants receiving the highest number of affirmative votes from a majority of the Council present shall be appointed.
9. Following a Council appointment, the City Clerk shall notify successful and unsuccessful applicants accordingly, in writing. Appointees will receive copies of the City's Non-Discrimination and Sexual Harassment policies, and disclosure statements for those members who are required to file under State law as

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designated in the City's Conflict of Interest Code. Copies of the notification will also be distributed to support staff and the ~~Commission/Committee~~ Advisory Body Chair.

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

Attendance

1. An Attendance Policy (CC-91-001), shall apply to all advisory bodies. Provisions of this policy are listed below.
 - A compilation of attendance will be submitted to the City Council at least annually listing absences for all Commissions/Committee members.
 - Absences, which result in attendance at less than two thirds of their meetings during the calendar year, will be reported to the City Council and may result in replacement of the member by the Council.
 - Any 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 to obtain a leave of absence.
2. While it is expected that members be present at all meetings, the Chair and Staff Liaison should be notified if a member knows in advance that he/she will be absent.

Compensation

1. Members shall serve without compensation (unless specifically provided) for their services, provided, however, members shall receive reimbursement for necessary travel expenses and other expenses incurred on official duty when such expenditures have been authorized by the City Council (See Policy CC-91-002).

Conflict of Interest and Disclosure Requirements

1. A Conflict of Interest Code has been updated and adopted by the City Council ~~and the Community Development Agency~~ pursuant to Government Code Section 87300 et seq. Copies of this Code are filed with the City Clerk. Pursuant to the adopted Conflict of Interest Code, members serving on the Planning Commission are required to file a Statement of Economic Interest with the City Clerk to disclose personal interest in investments, real property and income. This is done within thirty days of appointment and annually thereafter. A statement is also required within thirty days after leaving office.
2. If a public official has a conflict of interest, the Political Reform Act may require the official to disqualify himself or herself from making or participating in a governmental decision, or using his or her official position to influence a governmental decision. Questions in this regard may be directed to the City Attorney.

Qualifications, Compositions, Number

1. In most cases, members shall ~~be residents of the~~ reside with the incorporated city limits of ~~City of~~ Menlo Park,

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at least 18 years of age and eligible to be a registered voter.

2. Current members of any other City ~~Commission or Committee~~ Advisory Body are disqualified for membership, unless the regulations for that advisory body permit concurrent membership.
3. ~~Commission/Committee~~ Advisory Body members shall be permitted to retain membership while seeking any elective office. However, members shall not use the meetings, functions or activities of such bodies for purposes of campaigning for elective office.
4. There shall be seven (7) members on each ~~Commission/Committee~~ Advisory Body with the exception of the Parks and Recreation Commission, which shall be five (5) members, with the exception of the Finance and Audit Committee, which has five (5) members.

Reappointments, Resignations, Removals

1. Incumbents seeking a reappointment are required to complete and file an application with the City Clerk by the application deadline. No person shall be reappointed to an ~~an~~ Commission/Committee Advisory Body who has served on that same body for two consecutive terms; unless a period of one year has lapsed since the returning member last served on that ~~Commission~~ Body (the one year period is flexible subject to Council's discretion-).
2. Resignations must be submitted in writing to the City Clerk, who will ~~distribute copies to~~ notify the City Council and appropriate staff.
3. The City Council may remove a member by a majority vote of the Council without cause, notice or hearing.

Term of Office

1. Unless specified otherwise, the term of office for all ~~Commission/Committee~~ Advisory Bodies shall be four (4) years unless a resignation or a removal has taken place.
2. If a person is appointed to fill an unexpired term and serves less than two years, that time will not be considered a full term. However, if a person is appointed to fill an unexpired term and serves two years or more, that time will be considered a full term.
3. Terms are staggered to be overlapping four-year terms, so that all terms do not expire in any one year.
4. If a member resigns before the end of his/her term, a replacement serves out the remainder of that term.
- 4.5. All terms shall end on the last day of April.

Vacancies

1. Vacancies are created due to term expirations, resignations, removals or death.

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2. Vacancies are ~~listed on the Council agenda and~~ posted by the City Clerk in the Council Chambers bulletin board and on the City's website.
3. Whenever an unscheduled vacancy occurs in any ~~Commission/Committee~~ Advisory Body, a special vacancy notice shall be posted within 20 days after the vacancy occurs. Appointment shall not be made for at least ten working days after posting of the notice (Government Code 54974).
4. On or before December 31 of each year, an appointment list of all regular ~~advisory Commissions and Committees~~ Advisory Bodies of the City Council shall be prepared by the City Clerk and posted in the Council Chambers bulletin board and on the City's website. This list is also available to the public. (Government Code 54972, Maddy Act).

Roles and Responsibilities

The purpose of this section is to define and clarify the roles and responsibilities of the ~~Commissions/Committees~~ Advisory Bodies:

Arts Commission

~~This Commission is charged with advising the Council on matters related to City cultural programs established primarily for the residents of the City as artists and as an audience, including arts concerned with line, color, form (painting, sculpture, and architecture); arts concerned with sound (music and dance); and, arts concerned with the exploitation of words for both their musical and expressive value (literature, prose, poetry and plays).~~

Bicycle Commission

The Bicycle Commission is charged primarily with advising the City Council on ways to improve the bicycling environment, implementation of the bikeways plan and other related matters.

Community Mediation Service

~~This Committee is charged with providing mediation services for local residents and businesses. (It is guided by a separate policy statement and by its By-Laws).~~

Environmental Quality Commission

The Environmental Quality Commission is charged primarily with advising the City Council on matters involving environmental protection, improvement, and sustainability. Specific focus areas include:

- Preserving heritage trees
- Using best practices to maintain city trees
- Preserving and expanding the urban canopy
- Making determinations on appeals of heritage tree removal permits
- Administering annual Environmental Quality Awards program

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- Organizing annual Arbor Day Event; typically a tree planting event
- Advising on programs and policies related to protection of natural areas, recycling and waste reduction, environmentally sustainable practices, air and water pollution prevention, climate protection, and water and energy conservation.

Finance & Audit Committee

~~The Finance & Audit Committee is charged primarily to support delivery of timely, clear and comprehensive reporting of the City's fiscal status to the community at large. Specific focus areas include:~~

- ~~• Review the process for periodic financial reporting to the City Council and the public, as needed~~
- ~~• Review financial audit and annual financial report with the City's external auditors~~
- ~~• Review of the resolution of prior year audit findings~~
- ~~• Review of the auditor selection process and scope, as needed~~

Housing Commission

~~The Housing Commission is charged primarily with advising the City Council on housing matters including housing supply and housing related problems. Specific focus areas include:~~

- ~~• Community attitudes about housing (range, distribution, racial, social economic problems)~~
- ~~• Programs for evaluating, maintaining, and upgrading the distribution and quality of housing stock in the City~~
- ~~• Planning, implementing and evaluating City programs under the Housing and Community Development Act of 1974~~
- ~~• Members serve with staff on a loan review committee for housing rehabilitation programs and a first time homebuyer loan program~~
- ~~• Review and recommend to the Council regarding the Below Market Rate (BMR) program~~
- ~~• Initiate, review and recommend on housing policies and programs for the City~~
- ~~• Review and recommend on housing related impacts for environmental impact reports~~
- ~~• Review and recommend on State and regional housing issues~~
- ~~• Review and recommend on the Housing Element of the General Plan~~
- ~~• The five most senior members of the Housing Commission also serve as the members of the Relocation Appeals Board (City Resolution 4290, adopted June 25, 1991).~~

Las Pulgas Committee

~~This Committee is charged with advising the City Council on matters regarding the activities of the City's Community Development Agency providing comments and recommendations on policies affecting the Las Pulgas Project Area, as well as on issues, projects and programs in the neighborhood.~~

Library Commission

The Library Commission is charged primarily with advising the City Council on matters related to the maintenance and operation of the City's libraries and library systems. Specific focus areas include:

- The scope and degree of library activities
- Maintenance and protection of City libraries
- Evaluation and improvement of library service

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- Acquisition of library materials
- Coordination with other library systems and long range planning
- Literacy and ESL programs

Parks and Recreation Commission

The Parks and Recreation Commission is charged primarily with advising the City Council on matters related to City programs and facilities dedicated to recreation. Specific focus areas include:

- Those programs and facilities established primarily for the participation of and/or use by residents of the City, including adequacy and maintenance of such facilities as parks and playgrounds, recreation buildings, facilities and equipment
- Adequacy, operation and staffing of recreation programs
- Modification of existing programs and facilities to meet developing community needs
- Long range planning and regional coordination concerning park and recreational facilities

Planning Commission

The Planning Commission is organized according to State Statute.

- The Planning Commission reviews development proposals on public and private lands for compliance with the General Plan and Zoning Ordinance.
- The Commission reviews all development proposals requiring a use permit, architectural control, variance, minor subdivision and environmental review associated with these projects. The Commission is the final decision-making body for these applications, unless appealed to the City Council.
- The Commission serves as a recommending body to the City Council for major subdivisions, re-zonings, conditional development permits, planned development permits, Zoning Ordinance amendments, General Plan amendments and the environmental reviews associated with those projects.
- The Commission works on special projects as assigned by the City Council.

Transportation Commission

The Transportation Commission is charged primarily with advising the City Council on matters related to the adequacy and improvement of all types of public and private transportation within and across the City, including the best approaches to establishing and maintaining systems and facilities for the transport of people and goods around the City. Specific focus areas include:

- The coordination of motor vehicle, bicycle, mass transit, and pedestrian traffic facilities
- The development and encouragement of the most efficient and least detrimental overall transportation system for the City supporting the goals of the General Plan
- Coordination with regional transportation systems
- Serve as the appeals board for appeals from staff determinations concerning establishment of traffic signs, pavement markings, speed zones, parking regulations, traffic signals, bike lanes, bus stops, etc.

Special Advisory Bodies

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The City Council has the authority to create ad-hoc committees, task forces, or subcommittees for the City, and from time to time, the City Council may appoint members to these groups. The number of persons and the individual appointee serving on each group may be changed at any time by the Council. There are no designated terms for members of these groups; members are appointed by and serve at the pleasure of the Council.

Any requests of City ~~Commissions or Committees~~ Advisory Bodies to create such ad-hoc advisory bodies shall be submitted in writing to the City Clerk for Council consideration and approval.

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Purpose

To define policies and procedures and roles and responsibilities for Menlo Park appointed Advisory Bodies.

Authority

Upon its original adoption, this policy replaced the document known as “Organization of Advisory Commissions of the City of Menlo Park”.

Background

The City of Menlo Park currently has six active Advisory Bodies. They are: Bicycle Commission, Environmental Quality Commission, Library Commission, Parks and Recreation Commission, Planning Commission, and Transportation Commission. Those not specified in the City Code are established by City Council ordinance or resolution. Most of these advisory bodies are established in accordance with Resolution 2801 and its amendments. Within specific areas of responsibility, each advisory body has a primary role of advising the City Council on policy matters or reviewing specific issues and carrying out assignments as directed by the City Council or prescribed by law.

Five of the six Advisory Bodies listed above are advisory in nature. The Planning Commission is both advisory and regulatory and organized according to the City Code (Ch. 2.12) and State statute (GC 65100 et seq., 65300-65401).

The City has an adopted Anti-Harassment and Non-Discrimination Policy (CC-95-001), and a Travel and Expense Policy (CC-91-002), which are also applicable to all advisory bodies.

Policies and Procedures

A. Relationship to Council, Staff and Media

1. Upon referral by the Council, the Advisory Body shall study referred matters and return their recommendations and advise to the Council. With each such referral, the Council may authorize the City staff to provide certain designated services to aid in the study.
2. Upon its own initiative, the Advisory Body shall identify and raise issues to Council’s attention and from time to time survey pertinent matters and make recommendations to the Council.
3. At a request of a member of the public, the Advisory Body may consider appeals from City actions or inactions in pertinent areas and, if deemed appropriate, report and make recommendations to the Council.
4. Each April the Advisory Body and their support staff shall review their approved work plans and modify if needed. If changed, the work plan must be taken to the Council for approval.
5. Advisory Body should not become involved in the administrative or operational matters of City departments. Members may not direct staff to initiate major programs, conduct large studies, or establish department policy. City staff assigned to furnish staff services shall be available to provide general staff assistance, such as

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preparation of agenda/notice materials and minutes, general review of department programs and activities, and to perform limited studies, program reviews, and other services of a general staff nature. Advisory Body may not establish department work programs or determine department program priorities. The responsibility for setting policy and allocating scarce City resources rests with the City's duly elected representatives, the City Council.

6. Additional or other staff support may be provided upon a formal request to the City Council.
7. The Staff Liaison shall act as the Commission's lead representative to the media concerning matters before the Commission. Commission members should refer all media inquiries to their respective Liaisons for response. Personal opinions and comments may be expressed so long as the Commissioner clarifies that his or her statements do not represent the position of the City Council.
8. Commission and Committee Members will have mandatory training every two years regarding the Brown Act and parliamentary procedures. The Commission and Committee Members may have the opportunity for additional training, such as training for Chair and Vice Chair. Failure to comply with the mandatory training will be reported to the City Council and may result in replacement of the member by the Council.

B. Recommendations, Requests and Reports

Near the beginning of each regular Council meeting, there will be an item called "Commission/Committee Vacancies, Appointments and Reports". At this time, Advisory Bodies may submit recommendations or reports in writing and may request direction and support from the City Council. Such requests shall be communicated to the Staff Liaison in advance, including any written materials, so that they may be listed on the agenda and distributed with the agenda packet. The materials being provided to the Council must be approved by a majority of the Advisory Body at a meeting prior to submittal to the City Council. The Council will receive such reports and recommendations and, after suitable study and discussion, respond or give direction.

C. Council Referrals

The Assistant City Manager shall transmit to the designated Staff Liaison all referrals and requests from the City Council for advice and recommendations. The Advisory Bodies shall expeditiously consider and act on all referrals and requests made by the City Council and shall submit reports and recommendations to the City Council on these assignments.

D. Public Appearance of Advisory Body

When an Advisory Body member appears in a non-official, non-representative capacity before the public, for example in a Council meeting, the member shall indicate that he or she is speaking only as an individual. If the Advisory Body member appears as the representative of an applicant or a member of the public, the Political Reform Act may govern this appearance. In addition, in certain circumstances, due process considerations might apply to make an Advisory Body member's appearance inappropriate. Conversely, when a member who is present at a Council meeting is asked to address the Council on a matter, the member should represent the viewpoint of the particular Advisory Body as a whole (not a personal opinion).

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E. Disbanding of Advisory Body

Upon recommendation by the Chair or appropriate staff, any standing or special advisory body, established by the City Council and whose members were appointed by the City Council, may be declared disbanded due to lack of business, by majority vote of the City Council.

F. Meetings and Officers

1. Agendas/Notices/Minutes

- All meetings shall be open and public and shall conduct business through published agendas, public notices and minutes and follow all of the Brown Act provisions governing public meetings. Special, cancelled and adjourned meetings may be called when needed, subject to the Brown Act provisions.
- Support staff for each Advisory Body shall be responsible for properly noticing and posting all regular, special, cancelled and adjourned meetings. Copies of all meeting agendas, notices and minutes shall be provided to the City Council, City Manager, City Attorney, City Clerk and other appropriate staff, as requested.
- Original agendas and minutes shall be filed and maintained by support staff in accordance with the City's adopted Records Retention Schedule.

2. Conduct and Parliamentary Procedures

- Unless otherwise specified by State law or City regulations, conduct of all meetings shall generally follow Robert's Rules of Order.
- A majority of Advisory Body members shall constitute a quorum and a quorum must be seated before official action is taken.
- The Chair of each Advisory Body shall preside at all meetings and the Vice Chair shall assume the duties of the Chair when the Chair is absent.

3. Lack of a Quorum

- When a lack of a quorum exists at the start time of a meeting, those present will wait 15 minutes for additional members to arrive. If after 15 minutes a quorum is still not present, the meeting will be adjourned by the staff liaison due to lack of a quorum. Once the meeting is adjourned it cannot be reconvened.
- The public is not allowed to address those commissioners present during the 15 minutes the Advisory Body is waiting for additional members to arrive.
- Staff can make announcements to the members during this time but must follow up with an email to all members of the body conveying the same information.
- All other items shall not be discussed with the members present as it is best to make the report when there is a quorum present.

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4. Meeting Locations and Dates

- Meetings shall be held in designated City facilities, as noticed.
- All Advisory Bodies with the exception of the Planning Commission shall conduct regular meetings once a month. Special meetings may also be scheduled as required by the Advisory Body. The Planning Commission shall hold regular meetings twice a month.
- Monthly regular meetings shall have a fixed date and time established by the Advisory Body. Changes to the established regular dates and times are subject to the approval of the City Council. An exception to this rule would include any changes necessitated to fill a temporary need in order for the Advisory Body to conduct its meeting in a most efficient and effective way as long as proper and adequate notification is provided to the Council and made available to the public.
- Each Advisory Body may establish other operational policies subject to the approval of the City Council. Any changes to the established policies and procedures shall be subject to the approval of the City Council.

5. Selection of Chair and Vice Chair

- The Chair and Vice Chair shall be selected in May of each year by a majority of the members and shall serve for one year or until their successors are selected.
- Each Advisory Body shall annually rotate its Chair and Vice Chair.

G. Memberships

Appointments/Oaths

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

Application/Selection Process

1. The application process begins when a vacancy occurs due to term expiration, resignation, removal or death of a member.
2. The application period will normally run for a period of at least four weeks from the date the vacancy occurs. Applications are available from the City Clerk's office and on the City's website.
3. The City Clerk shall notify members whose terms are about to expire whether or not they would be eligible for reappointment. If reappointment is sought, an updated application will be required.

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4. Applicants are required to complete and return the application form for each Advisory Body they desire to serve on, along with any additional information they would like to transmit, by the established deadline. Applications sent by fax, email or submitted on-line are accepted.
5. After the deadline of receipt of applications, the City Clerk shall schedule the matter at the next available regular Council meeting. All applications received will be submitted and made a part of the Council agenda packet for their review and consideration. If there are no applications received by the deadline, the City Clerk will extend the application period for an indefinite period of time until sufficient applications are received.
6. Upon review of the applications received, the Council reserves the right to schedule or waive interviews, or to extend the application process in the event insufficient applications are received. In either case, the City Clerk will provide notification to the applicants of the decision of the Council.
7. If an interview is requested, the date and time will be designated by the City Council. Interviews are open to the public.
8. The selection/appointment process by the Council shall be conducted open to the public. Nominations will be made and a vote will be called for each nomination. Applicants receiving the highest number of affirmative votes from a majority of the Council present shall be appointed.
9. Following a Council appointment, the City Clerk shall notify successful and unsuccessful applicants accordingly, in writing. Appointees will receive copies of the City's Non-Discrimination and Sexual Harassment policies, and disclosure statements for those members who are required to file under State law as designated in the City's Conflict of Interest Code. Copies of the notification will also be distributed to support staff and the Advisory Body Chair.
10. An orientation will be scheduled by support staff following an appointment (but before taking office) and a copy of this policy document will be provided at that time.

Attendance

1. An Attendance Policy (CC-91-001), shall apply to all advisory bodies. Provisions of this policy are listed below.
 - A compilation of attendance will be submitted to the City Council at least annually listing absences for all Commissions/Committee members.
 - Absences, which result in attendance at less than two thirds of their meetings during the calendar year, will be reported to the City Council and may result in replacement of the member by the Council.
 - Any 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 to obtain a leave of absence.
2. While it is expected that members be present at all meetings, the Chair and Staff Liaison should be notified if a member knows in advance that he/she will be absent.

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Compensation

1. Members shall serve without compensation (unless specifically provided) for their services, provided, however, members shall receive reimbursement for necessary travel expenses and other expenses incurred on official duty when such expenditures have been authorized by the City Council (See Policy CC-91-002).

Conflict of Interest and Disclosure Requirements

1. A Conflict of Interest Code has been updated and adopted by the City Council pursuant to Government Code Section 87300 et seq. Copies of this Code are filed with the City Clerk. Pursuant to the adopted Conflict of Interest Code, members serving on the Planning Commission are required to file a Statement of Economic Interest with the City Clerk to disclose personal interest in investments, real property and income. This is done within thirty days of appointment and annually thereafter. A statement is also required within thirty days after leaving office.
2. If a public official has a conflict of interest, the Political Reform Act may require the official to disqualify himself or herself from making or participating in a governmental decision, or using his or her official position to influence a governmental decision. Questions in this regard may be directed to the City Attorney.

Qualifications, Compositions, Number

1. In most cases, members shall reside within the incorporated city limits of Menlo Park, at least 18 years of age and eligible to be a registered voter.
2. Current members of any other City Advisory Body are disqualified for membership, unless the regulations for that advisory body permit concurrent membership.
3. Advisory Body members shall be permitted to retain membership while seeking any elective office. However, members shall not use the meetings, functions or activities of such bodies for purposes of campaigning for elective office.
4. There shall be seven (7) members on each Advisory Body with the exception of the Parks and Recreation Commission, which shall be five (5) members.

Reappointments, Resignations, Removals

1. Incumbents seeking a reappointment are required to complete and file an application with the City Clerk by the application deadline. No person shall be reappointed to an Advisory Body who has served on that same body for two consecutive terms; unless a period of one year has lapsed since the returning member last served on that Body (the one year period is flexible subject to Council's discretion).
2. Resignations must be submitted in writing to the City Clerk, who will notify the City Council and appropriate staff.
3. The City Council may remove a member by a majority vote of the Council without cause, notice or hearing.

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Term of Office

1. Unless specified otherwise, the term of office for all Advisory Bodies shall be four (4) years unless a resignation or a removal has taken place.
2. If a person is appointed to fill an unexpired term and serves less than two years, that time will not be considered a full term. However, if a person is appointed to fill an unexpired term and serves two years or more, that time will be considered a full term.
3. Terms are staggered to be overlapping four-year terms, so that all terms do not expire in any one year.
4. If a member resigns before the end of his/her term, a replacement serves out the remainder of that term.
5. All terms shall end on the last day of April.

Vacancies

1. Vacancies are created due to term expirations, resignations, removals or death.
2. Vacancies are posted by the City Clerk in the Council Chambers bulletin board and on the City's website.
3. Whenever an unscheduled vacancy occurs in any Advisory Body, a special vacancy notice shall be posted within 20 days after the vacancy occurs. Appointment shall not be made for at least ten working days after posting of the notice (Government Code 54974).
4. On or before December 31 of each year, an appointment list of all regular Advisory Bodies of the City Council shall be prepared by the City Clerk and posted in the Council Chambers bulletin board and on the City's website. This list is also available to the public. (Government Code 54972, Maddy Act).

Roles and Responsibilities

The purpose of this section is to define and clarify the roles and responsibilities of the Advisory Bodies:

Bicycle Commission

The Bicycle Commission is charged primarily with advising the City Council on ways to improve the bicycling environment, implementation of the bikeways plan and other related matters.

Environmental Quality Commission

The Environmental Quality Commission is charged primarily with advising the City Council on matters involving environmental protection, improvement, and sustainability. Specific focus areas include:

- Preserving heritage trees
- Using best practices to maintain city trees
- Preserving and expanding the urban canopy

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- Making determinations on appeals of heritage tree removal permits
- Administering annual Environmental Quality Awards program
- Organizing annual Arbor Day Event; typically a tree planting event
- Advising on programs and policies related to protection of natural areas, recycling and waste reduction, environmentally sustainable practices, air and water pollution prevention, climate protection, and water and energy conservation.

Library Commission

The Library Commission is charged primarily with advising the City Council on matters related to the maintenance and operation of the City's libraries and library systems. Specific focus areas include:

- The scope and degree of library activities
- Maintenance and protection of City libraries
- Evaluation and improvement of library service
- Acquisition of library materials
- Coordination with other library systems and long range planning
- Literacy and ESL programs

Parks and Recreation Commission

The Parks and Recreation Commission is charged primarily with advising the City Council on matters related to City programs and facilities dedicated to recreation. Specific focus areas include:

- Those programs and facilities established primarily for the participation of and/or use by residents of the City, including adequacy and maintenance of such facilities as parks and playgrounds, recreation buildings, facilities and equipment
- Adequacy, operation and staffing of recreation programs
- Modification of existing programs and facilities to meet developing community needs
- Long range planning and regional coordination concerning park and recreational facilities

Planning Commission

The Planning Commission is organized according to State Statute.

- The Planning Commission reviews development proposals on public and private lands for compliance with the General Plan and Zoning Ordinance.
- The Commission reviews all development proposals requiring a use permit, architectural control, variance, minor subdivision and environmental review associated with these projects. The Commission is the final decision-making body for these applications, unless appealed to the City Council.
- The Commission serves as a recommending body to the City Council for major subdivisions, re-zonings, conditional development permits, planned development permits, Zoning Ordinance amendments, General Plan amendments and the environmental reviews associated with those projects.
- The Commission works on special projects as assigned by the City Council.

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Transportation Commission

The Transportation Commission is charged primarily with advising the City Council on matters related to the adequacy and improvement of all types of public and private transportation within and across the City, including the best approaches to establishing and maintaining systems and facilities for the transport of people and goods around the City. Specific focus areas include:

- The coordination of motor vehicle, bicycle, mass transit, and pedestrian traffic facilities
- The development and encouragement of the most efficient and least detrimental overall transportation system for the City supporting the goals of the General Plan
- Coordination with regional transportation systems
- Serve as the appeals board for appeals from staff determinations concerning establishment of traffic signs, pavement markings, speed zones, parking regulations, traffic signals, bike lanes, bus stops, etc.

Special Advisory Bodies

The City Council has the authority to create ad-hoc committees, task forces, or subcommittees for the City, and from time to time, the City Council may appoint members to these groups. The number of persons and the individual appointee serving on each group may be changed at any time by the Council. There are no designated terms for members of these groups; members are appointed by and serve at the pleasure of the Council.

Any requests of City Advisory Bodies to create such ad-hoc advisory bodies shall be submitted in writing to the City Clerk for Council consideration and approval.

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Purpose

To define policies and procedures and roles and responsibilities for Menlo Park appointed Commissions and Committees.

Authority

Upon its original adoption, this policy replaced the document known as “Organization of Advisory Commissions of the City of Menlo Park”.

Background

The City of Menlo Park currently has eight active and three inactive Commissions and Committees. The active advisory bodies are: Bicycle Commission, Environmental Quality Commission, Finance and Audit Committee, Housing Commission, Library Commission, Parks and Recreation Commission, Planning Commission, and Transportation Commission. The inactive advisory bodies are the Arts Commission, Community Mediation Service Committee and the Las Pulgas Committee. Those not specified in the City Code are established by City Council ordinance or resolution. Most of these advisory bodies are established in accordance with Resolution 2801 and its amendments. Within specific areas of responsibility, each advisory body has a primary role of advising the City Council on policy matters or reviewing specific issues and carrying out assignments as directed by the City Council or prescribed by law.

Seven of the eight Commissions and Committees listed above are advisory in nature. The Planning Commission is both advisory and regulatory and organized according to the City Code (Ch. 2.12) and State statute (GC 65100 et seq., 65300-65401).

The City has an adopted Anti-Harassment and Non-Discrimination Policy (CC-95-001), and a Travel and Expense Policy (CC-91-002), which are also applicable to all advisory bodies.

Policies and Procedures**A. Relationship to Council, Staff and Media**

1. Upon referral by the Council, the Commission/Committee shall study referred matters and return their recommendations and advise to the Council. With each such referral, the Council may authorize the City staff to provide certain designated services to aid in the study.
2. Upon its own initiative, the Commission/Committee shall identify and raise issues to Council’s attention and from time to time survey pertinent matters and make recommendations to the Council.
3. At a request of a member of the public, the Commission/Committee may consider appeals from City actions or inactions in pertinent areas and, if deemed appropriate, report and make recommendations to the Council.
4. Each April the Commissions and Committees and their support staff shall review their approved work plans

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and modify if needed. If changed, the work plan must be taken to the Council for approval.

5. Commissions and Committees should not become involved in the administrative or operational matters of City departments. Members may not direct staff to initiate major programs, conduct large studies, or establish department policy. City staff assigned to furnish staff services shall be available to provide general staff assistance, such as preparation of agenda/notice materials and minutes, general review of department programs and activities, and to perform limited studies, program reviews, and other services of a general staff nature. Commissions and Committees may not establish department work programs or determine department program priorities. The responsibility for setting policy and allocating scarce City resources rests with the City's duly elected representatives, the City Council.
6. Additional or other staff support may be provided upon a formal request to the City Council.
7. The Staff Liaison shall act as the Commission's lead representative to the media concerning matters before the Commission. Commission members should refer all media inquiries to their respective Liaisons for response. Personal opinions and comments may be expressed so long as the Commissioner clarifies that his or her statements do not represent the position of the City Council.
8. Commission and Committee Members will have mandatory training every two years regarding the Brown Act and parliamentary procedures. The Commission and Committee Members may have the opportunity for additional training, such as training for Chair and Vice Chair. Failure to comply with the mandatory training will be reported to the City Council and may result in replacement of the member by the Council.

B. Recommendations, Requests and Reports

Near the beginning of each regular Council meeting, there will be an item called "Commission/Committee Vacancies, Appointments and Reports". At this time, Commissions and Committees may submit recommendations or reports in writing and may request direction and support from the City Council. Such requests shall be communicated to the Staff Liaison in advance, including any written materials, so that they may be listed on the agenda and distributed with the agenda packet. The materials being provided to the Council must be approved by a majority of the Commission at a Commission meeting prior to submittal to the City Council. The Council will receive such reports and recommendations and, after suitable study and discussion, respond or give direction.

C. Council Referrals

The Assistant City Manager shall transmit to the designated Staff Liaison all referrals and requests from the City Council for advice and recommendations. The Commissions/Committees shall expeditiously consider and act on all referrals and requests made by the City Council and shall submit reports and recommendations to the City Council on these assignments.

D. Public Appearance of Commission/Committee Members

When a Commission/Committee member appears in a non-official, non-representative capacity before the public, for

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example in a Council meeting, the member shall indicate that he or she is speaking only as an individual. If the Commission/Committee member appears as the representative of an applicant or a member of the public, the Political Reform Act may govern this appearance. In addition, in certain circumstances, due process considerations might apply to make a Commission/Committee member’s appearance inappropriate. Conversely, when a member who is present at a Council meeting is asked to address the Council on a matter, the member should represent the viewpoint of the particular Commission/Committee as a whole (not a personal opinion).

E. Disbanding of Advisory Body

Upon recommendation by the Chair or appropriate staff, any standing or special advisory body, established by the City Council and whose members were appointed by the City Council, may be declared disbanded due to lack of business, by majority vote of the City Council.

F. Meetings and Officers

1. Agendas/Notices/Minutes

- All meetings shall be open and public and shall conduct business through published agendas, public notices and minutes and follow all of the Brown Act provisions governing public meetings. Special, cancelled and adjourned meetings may be called when needed, subject to the Brown Act provisions.
- Support staff for each Commission/Committee shall be responsible for properly noticing and posting all regular, special, cancelled and adjourned meetings. Copies of all meeting agendas, notices and minutes shall be provided to the City Council, City Manager, City Attorney, City Clerk and other appropriate staff, as requested.
- Original agendas and minutes shall be filed and maintained by support staff in accordance with the City’s adopted Records Retention Schedule.

2. Conduct and Parliamentary Procedures

- Unless otherwise specified by State law or City regulations, conduct of all meetings shall generally follow Robert’s Rules of Order.
- A majority of Commission/Committee members shall constitute a quorum and a quorum must be seated before official action is taken.
- The Chair of each Commission/Committee shall preside at all meetings and the Vice Chair shall assume the duties of the Chair when the Chair is absent.

3. Lack of a Quorum

- When a lack of a quorum exists at the start time of a meeting, those present will wait 15 minutes for additional members to arrive. If after 15 minutes a quorum is still not present, the meeting will be adjourned by the staff liaison due to lack of a quorum. Once the meeting is adjourned it cannot be reconvened.
- The public is not allowed to address those commissioners present during the 15 minutes the

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Commission/Committee is waiting for additional members to arrive.

- Staff can make announcements to the members during this time but must follow up with an email to all members of the body conveying the same information.
- All other items shall not be discussed with the members present as it is best to make the report when there is a quorum present.

4. Meeting Locations and Dates

- Meetings shall be held in designated City facilities, as noticed.
- All Commissions/Committees with the exception of the Planning Commission shall conduct regular meetings once a month. Special meetings may also be scheduled as required by the Commission/Committee. The Planning Commission shall hold regular meetings twice a month.
- Monthly regular meetings shall have a fixed date and time established by the Commission/Committee. Changes to the established regular dates and times are subject to the approval of the City Council. An exception to this rule would include any changes necessitated to fill a temporary need in order for the Commission/Committee to conduct its meeting in a most efficient and effective way as long as proper and adequate notification is provided to the Council and made available to the public.
- Each Commission/Committee may establish other operational policies subject to the approval of the City Council. Any changes to the established policies and procedures shall be subject to the approval of the City Council.

5. Selection of Chair and Vice Chair

- The Chair and Vice Chair shall be selected in May of each year by a majority of the members and shall serve for one year or until their successors are selected.
- Each Commission/Committee shall annually rotate its Chair and Vice Chair.

G. Memberships

Appointments/Oaths

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

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Application/Selection Process

1. The application process begins when a vacancy occurs due to term expiration, resignation, removal or death of a member.
2. The application period will normally run for a period of four weeks from the date the vacancy occurs. If there is more than one concurrent vacancy in a Commission, the application period may be extended. Applications are available from the City Clerk's office and on the City's website.
3. The City Clerk shall notify members whose terms are about to expire whether or not they would be eligible for reappointment. If reappointment is sought, an updated application will be required.
4. Applicants are required to complete and return the application form for each Commission/Committee they desire to serve on, along with any additional information they would like to transmit, by the established deadline. Applications sent by fax, email or submitted on-line are accepted; however, the form submitted must be signed.
5. After the deadline of receipt of applications, the City Clerk shall schedule the matter at the next available regular Council meeting. All applications received will be submitted and made a part of the Council agenda packet for their review and consideration. If there are no applications received by the deadline, the City Clerk will extend the application period for an indefinite period of time until sufficient applications are received.
6. Upon review of the applications received, the Council reserves the right to schedule or waive interviews, or to extend the application process in the event insufficient applications are received. In either case, the City Clerk will provide notification to the applicants of the decision of the Council.
7. If an interview is requested, the date and time will be designated by the City Council. Interviews are open to the public.
8. The selection/appointment process by the Council shall be conducted open to the public. Nominations will be made and a vote will be called for each nomination. Applicants receiving the highest number of affirmative votes from a majority of the Council present shall be appointed.
9. Following a Council appointment, the City Clerk shall notify successful and unsuccessful applicants accordingly, in writing. Appointees will receive copies of the City's Non-Discrimination and Sexual Harassment policies, and disclosure statements for those members who are required to file under State law as designated in the City's Conflict of Interest Code. Copies of the notification will also be distributed to support staff and the Commission/Committee Chair.
10. An orientation will be scheduled by support staff following an appointment (but before taking office) and a copy of this policy document will be provided at that time.

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Attendance

1. An Attendance Policy (CC-91-001), shall apply to all advisory bodies. Provisions of this policy are listed below.
 - A compilation of attendance will be submitted to the City Council at least annually listing absences for all Commissions/Committee members.
 - Absences, which result in attendance at less than two thirds of their meetings during the calendar year, will be reported to the City Council and may result in replacement of the member by the Council.
 - Any 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 to obtain a leave of absence.
2. While it is expected that members be present at all meetings, the Chair and Staff Liaison should be notified if a member knows in advance that he/she will be absent.

Compensation

1. Members shall serve without compensation (unless specifically provided) for their services, provided, however, members shall receive reimbursement for necessary travel expenses and other expenses incurred on official duty when such expenditures have been authorized by the City Council (See Policy CC-91-002).

Conflict of Interest and Disclosure Requirements

1. A Conflict of Interest Code has been updated and adopted by the City Council and the Community Development Agency pursuant to Government Code Section 87300 et seq. Copies of this Code are filed with the City Clerk. Pursuant to the adopted Conflict of Interest Code, members serving on the Planning Commission are required to file a Statement of Economic Interest with the City Clerk to disclose personal interest in investments, real property and income. This is done within thirty days of appointment and annually thereafter. A statement is also required within thirty days after leaving office.
2. If a public official has a conflict of interest, the Political Reform Act may require the official to disqualify himself or herself from making or participating in a governmental decision, or using his or her official position to influence a governmental decision. Questions in this regard may be directed to the City Attorney.

Qualifications, Compositions, Number

1. In most cases, members shall be residents of the City of Menlo Park, at least 18 years of age and a registered voter.
2. Current members of any other City Commission or Committee are disqualified for membership, unless the regulations for that advisory body permit concurrent membership.
3. Commission/Committee members shall be permitted to retain membership while seeking any elective office. However, members shall not use the meetings, functions or activities of such bodies for purposes of campaigning for elective office.

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4. There shall be seven (7) members on each Commission/Committee with the exception of the Finance and Audit Committee, which has five (5) members.

Reappointments, Resignations, Removals

1. Incumbents seeking a reappointment are required to complete and file an application with the City Clerk by the application deadline. No person shall be reappointed to a Commission/Committee who has served on that same body for two consecutive terms; unless a period of one year has lapsed since the returning member last served on that Commission (the one year period is flexible subject to Council's discretion.).
2. Resignations must be submitted in writing to the City Clerk, who will distribute copies to City Council and appropriate staff.
3. The City Council may remove a member by a majority vote of the Council without cause, notice or hearing.

Term of Office

1. Unless specified otherwise, the term of office for all Commission/Committee shall be four (4) years unless a resignation or a removal has taken place.
2. If a person is appointed to fill an unexpired term and serves less than two years, that time will not be considered a full term. However, if a person is appointed to fill an unexpired term and serves two years or more, that time will be considered a full term.
3. Terms are staggered to be overlapping four-year terms, so that all terms do not expire in any one year.
4. If a member resigns before the end of his/her term, a replacement serves out the remainder of that term.

Vacancies

1. Vacancies are created due to term expirations, resignations, removals or death.
2. Vacancies are listed on the Council agenda and posted by the City Clerk in the Council Chambers bulletin board and on the City's website.
3. Whenever an unscheduled vacancy occurs in any Commission/Committee, a special vacancy notice shall be posted within 20 days after the vacancy occurs. Appointment shall not be made for at least ten working days after posting of the notice (Government Code 54974).
4. On or before December 31 of each year, an appointment list of all regular advisory Commissions and Committees of the City Council shall be prepared by the City Clerk and posted in the Council Chambers bulletin board and on the City's website. This list is also available to the public. (Government Code 54972,

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Maddy Act).

Roles and Responsibilities

The purpose of this section is to define and clarify the roles and responsibilities of the Commissions/Committees:

Arts Commission

This Commission is charged with advising the Council on matters related to City cultural programs established primarily for the residents of the City as artists and as an audience, including arts concerned with line, color, form (painting, sculpture, and architecture); arts concerned with sound (music and dance); and, arts concerned with the exploitation of words for both their musical and expressive value (literature, prose, poetry and plays).

Bicycle Commission

The Bicycle Commission is charged primarily with advising the City Council on ways to improve the bicycling environment, implementation of the bikeways plan and other related matters.

Community Mediation Service

This Committee is charged with providing mediation services for local residents and businesses. (It is guided by a separate policy statement and by its By-Laws).

Environmental Quality Commission

The Environmental Quality Commission is charged primarily with advising the City Council on matters involving environmental protection, improvement, and sustainability. Specific focus areas include:

- Preserving heritage trees
- Using best practices to maintain city trees
- Preserving and expanding the urban canopy
- Making determinations on appeals of heritage tree removal permits
- Administering annual Environmental Quality Awards program
- Organizing annual Arbor Day Event; typically a tree planting event
- Advising on programs and policies related to protection of natural areas, recycling and waste reduction, environmentally sustainable practices, air and water pollution prevention, climate protection, and water and energy conservation.

Finance & Audit Committee

The Finance & Audit Committee is charged primarily to support delivery of timely, clear and comprehensive reporting of the City's fiscal status to the community at large. Specific focus areas include:

- Review the process for periodic financial reporting to the City Council and the public, as needed
- Review financial audit and annual financial report with the City's external auditors
- Review of the resolution of prior year audit findings

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- Review of the auditor selection process and scope, as needed

Housing Commission

The Housing Commission is charged primarily with advising the City Council on housing matters including housing supply and housing related problems. Specific focus areas include:

- Community attitudes about housing (range, distribution, racial, social-economic problems)
- Programs for evaluating, maintaining, and upgrading the distribution and quality of housing stock in the City
- Planning, implementing and evaluating City programs under the Housing and Community Development Act of 1974
- Members serve with staff on a loan review committee for housing rehabilitation programs and a first time homebuyer loan program
- Review and recommend to the Council regarding the Below Market Rate (BMR) program
- Initiate, review and recommend on housing policies and programs for the City
- Review and recommend on housing related impacts for environmental impact reports
- Review and recommend on State and regional housing issues
- Review and recommend on the Housing Element of the General Plan
- The five most senior members of the Housing Commission also serve as the members of the Relocation Appeals Board (City Resolution 4290, adopted June 25, 1991).

Las Pulgas Committee

This Committee is charged with advising the City Council on matters regarding the activities of the City's Community Development Agency providing comments and recommendations on policies affecting the Las Pulgas Project Area, as well as on issues, projects and programs in the neighborhood.

Library Commission

The Library Commission is charged primarily with advising the City Council on matters related to the maintenance and operation of the City's libraries and library systems. Specific focus areas include:

- The scope and degree of library activities
- Maintenance and protection of City libraries
- Evaluation and improvement of library service
- Acquisition of library materials
- Coordination with other library systems and long range planning
- Literacy and ESL programs

Parks and Recreation Commission

The Parks and Recreation Commission is charged primarily with advising the City Council on matters related to City programs and facilities dedicated to recreation. Specific focus areas include:

- Those programs and facilities established primarily for the participation of and/or use by residents of the City, including adequacy and maintenance of such facilities as parks and playgrounds, recreation buildings, facilities and equipment
- Adequacy, operation and staffing of recreation programs

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- Modification of existing programs and facilities to meet developing community needs
- Long range planning and regional coordination concerning park and recreational facilities

Planning Commission

The Planning Commission is organized according to State Statute.

- The Planning Commission reviews development proposals on public and private lands for compliance with the General Plan and Zoning Ordinance.
- The Commission reviews all development proposals requiring a use permit, architectural control, variance, minor subdivision and environmental review associated with these projects. The Commission is the final decision-making body for these applications, unless appealed to the City Council.
- The Commission serves as a recommending body to the City Council for major subdivisions, re-zonings, conditional development permits, planned development permits, Zoning Ordinance amendments, General Plan amendments and the environmental reviews associated with those projects.
- The Commission works on special projects as assigned by the City Council.

Transportation Commission

The Transportation Commission is charged primarily with advising the City Council on matters related to the adequacy and improvement of all types of public and private transportation within and across the City, including the best approaches to establishing and maintaining systems and facilities for the transport of people and goods around the City. Specific focus areas include:

- The coordination of motor vehicle, bicycle, mass transit, and pedestrian traffic facilities
- The development and encouragement of the most efficient and least detrimental overall transportation system for the City supporting the goals of the General Plan
- Coordination with regional transportation systems
- Serve as the appeals board for appeals from staff determinations concerning establishment of traffic signs, pavement markings, speed zones, parking regulations, traffic signals, bike lanes, bus stops, etc.

Special Advisory Bodies

The City Council has the authority to create ad-hoc committees, task forces, or subcommittees for the City, and from time to time, the City Council may appoint members to these groups. The number of persons and the individual appointee serving on each group may be changed at any time by the Council. There are no designated terms for members of these groups; members are appointed by and serve at the pleasure of the Council.

Any requests of City Commissions or Committees to create such ad-hoc advisory bodies shall be submitted in writing to the City Clerk for Council consideration and approval.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING AMENDMENTS TO CITY COUNCIL POLICY CC-01-0004 – COMMISSION/COMMITTEES POLICY AND PROCEDURES AND ROLES AND RESPONSIBILITIES

WHEREAS, the City Council approved Council Policy CC-01-0004 (Policy) Advisory Body Policies, Procedures, Roles, and Responsibilities on March 13, 2001; and

WHEREAS, the Council approved amendments on September 18, 2001 and April 4, 2011; and

WHEREAS, the Arts Commission has been inactive since November 2004; and

WHEREAS, the Finance and Audit Committee has accomplished their charge; and

WHEREAS, due to the dissolution of the Community Development Agency the Housing Division was eliminated and the City has outsourced the loan program and the Below Market Rate (BMR) programs; and

WHEREAS, the Las Pulgas Committee has not met since October 2006 and the need for this committee no longer exists; and

WHEREAS, the Parks and Recreation Commission has been unable to obtain a quorum with a membership of seven; and

WHEREAS, the opportunity for community engagement and input is better supported for non-regulatory Commissions in a conference room setting; and

WHEREAS, the City no longer provides community mediation services and therefore the reference is no longer needed.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby approve the amendment to the Council Policy CC-01-0004, changing the policy subject to Advisory Body Policies, Procedures, Roles, and Responsibilities and a copy of the amended Policy is attached and made a part of this resolution; and

BE IT FURTHER RESOLVED, that the Arts Commission, Finance and Audit Committee and Las Pulgas Committee are hereby disbanded; and

BE IT FURTHER RESOLVED, that upon completion of the current Housing Element Update the Housing Commission will be disbanded; and

BE IT FURTHER RESOLVED, the membership of the Parks and Recreation Commission will consist of five members; and

BE IT FURTHER RESOLVED, all non-regulatory Advisory Bodies shall conduct their meetings in a conference room on the Civic Center Campus; and

BE IT FURTHER RESOLVED, that all references to the Community Mediation Service will be removed; and

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-sixth day of March, 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-sixth day of March, 2013.

Margaret S. Roberts, MMC
City Clerk

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COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: March 26, 2013
Staff Report #: 13-041

Agenda Item #:E-1

PUBLIC HEARING: Consider a Request for Rezoning, Conditional Development Permit, Lot Line Adjustment, Heritage Tree Removal Permits, Below Market Rate Housing Agreement, Development Agreement and Environmental Review for the Facebook West Campus Located at the Intersection of Bayfront Expressway and Willow Road

RECOMMENDATION

Staff recommends that the City Council concur with the Planning Commission's recommendation to approve the following land use entitlements and agreements related to the Facebook West Campus Project, subject to the specific actions contained in Attachment A:

1. **Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program**, which includes specific findings that the Facebook 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;
2. **Approve the Rezoning**, which rezones the property at 312 and 313 Constitution Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development) to allow for increased lot coverage and building height on the Project Site;
3. **Approve the Conditional Development Permit**, which specifies development standards and uses applicable to the Project Site;
4. **Approve the Development Agreement**, which results in the provision of overall benefits to the City and adequate development controls in exchange for vested rights in Project approvals;
5. **Approve the Below Market Rate Housing Agreement**, which would help increase the affordable housing supply by requiring the applicant to provide an in lieu payment for the Below Market Rate housing fund, off-site residential units or payment of a portion of the in lieu fee and provision of off-site units;

6. **Approve the Lot Line Adjustment** to modify the location of the two legal lots that comprise the Project Site; and
7. **Approve Heritage Tree Removal Permits** to remove 175 heritage trees, while attempting to retain approximately 25 trees along Bayfront Expressway and five trees along Willow Road.

If the Council votes to approve the Project on March 26, 2013, then the second reading of the ordinances for the Rezoning and the Development Agreement are scheduled to occur on April 2, 2013. The Ordinances would go into effect 30 days thereafter.

BACKGROUND

The Facebook Campus Project includes two project sites inclusive of the East Campus and West Campus. The Project is being processed in phases, with the East Campus entitlements recommended for approval by the Planning Commission in May of 2012, and subsequently approved by the City Council in June of 2012.

The first phase of project review included the preparation of a Fiscal Impact Analysis (FIA), 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 explored 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. An Environmental Impact Report (EIR) was also prepared to analyze the potential physical environmental impacts associated with the development of the proposed Project, inclusive of both the East Campus and West Campus. The City Council certified the EIR, and approved the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program for the East Campus component of the Project in May 2012.

The previous staff reports, which provide more detailed background information, plus the certified EIR and FIA, are available for review on the City-maintained project page accessible through the following link: http://www.menlopark.org/projects/comdev_fb.htm

West Campus – Phase Two

On June 28, 2012, the City received a preliminary application on behalf of Facebook to initiate review of the Facebook West Campus, and on August 27, 2012, the applicant submitted project plans and associated reports required for project analysis. A number of public meetings to review the project were held subsequent to this submittal, which are summarized below:

- **September 11, 2012:** City Council meeting to review the preliminary draft processing schedule for the requested land use entitlements;

- **September 24, 2012:** Planning Commission study session to review the project proposal and requested land use entitlements;
- **October 18, 2012:** Public Outreach meeting in Belle Haven to discuss the project proposal and requested land use entitlements;
- **October 30, 2012:** City Council meeting to provide direction on the development agreement parameters;
- **January 22, 2013:** City Council meeting to review the development agreement term sheet;
- **February 20, 2013:** Housing Commission meeting to provide a recommendation on the BMR Housing Agreement; and
- **February 25, 2013:** Planning Commission meeting to provide a recommendation on the requested land use entitlements and agreements.

The Planning Commission made separate motions for each of the requested land use entitlements and agreements; however, in each case, the Commission unanimously (with Commissioner Onken recused) recommended that the City Council approve the requested land use entitlements and agreements. Commission feedback that resulted in revisions to project plans or conditions of approval is discussed below in the Analysis section.

ANALYSIS

A complete discussion of the project proposal, requested land use entitlements and agreements is included in the Planning Commission staff report dated February 25, 2013, which is included as Attachment B and the associated excerpt minutes are included as Attachment C. What follows is a discussion of minor project revisions resulting from Planning Commission comments, as well as minor revisions to applicable documents initiated by staff to further refine those documents.

Tree Retention

The one specific item that the Commission discussed that resulted in a change to the project conditions of approval is related to the retention of trees. The current project plans, which are included as Attachment U illustrate the removal of all on-site trees, inclusive of 175 heritage trees.

Though the applicant had previously anticipated the need to remove all on-site trees due to the health and location (impeding redevelopment of the site) of the trees, additional site analysis and project design subsequent to the most recent plan set development has uncovered the potential to save some of the existing trees. The applicant team believes that they may be able to retain approximately 20 to 25 heritage trees along the Bayfront Expressway frontage. These trees are located in three clusters, two of which are on either end of the project site proximate to Bayfront Expressway, and the third cluster is located in the middle of the project site proximate to Bayfront Expressway. In addition, the applicant team believes they may be able to retain approximately five eucalyptus heritage trees along the Willow Road frontage in two

clusters located proximate to the existing railroad tracks. The potential tree retention is discussed in a memorandum prepared by the applicant and illustrated on an associated exhibit, both of which are included as Attachment D. In addition, the applicant provided a *Tree Preservation Feasibility and Protection Guidelines Report* that discusses the feasibility of retaining these trees and tree protection guidelines. The report concludes that retention of the trees is feasible; however, the magnitude of tree retention is subject to a number of factors including the final design and location of Pacific Gas and Electric (PG&E) and Caltrans improvements necessary for the project, as well as the final design and location of the site utilities. This report is included as Attachment E.

To address the direction of the Planning Commission and intent of the applicant, staff has amended condition of approval 9.10 to require that the landscape plan be revised to illustrate the retention of the maximum number of trees feasible, with the potential retention of approximately 30 trees along the Bayfront Expressway and Willow Road frontages. In addition, condition of approval 9.11 has been added to require compliance with the tree protection guidelines included in the *Tree Preservation Feasibility and Protection Guidelines Report*, and submittal of a heritage tree preservation plan with the grading permit submittal.

Staff Initiated Changes

Planning staff made minor refinements to the Conditional Development Permit (Attachment J) and Development Agreement (Attachment M), as discussed below:

- **Conditional Development Permit:** Minor verbiage edits were made to clarify specific sections of the Conditional Development Permit and the intent of a few conditions of approval. Specifically, these changes affect the following sections:
 - **6.1.3, Major Modifications:** Increased specificity was provided to clarify what changes constitute a Major Modification;
 - **8.1.5.1.1.2, FEMA Pad Certification:** Language was revised to clarify the entity responsible for preparation of the pad certification;
 - **9.34, Roof Insulations:** Language was revised to clarify that minimum insulation requirements could be achieved via utilization of more than one form of roof insulation whose insulation values would be combined;
 - **9.38, Primary Entrance Designation:** Language was revised to more clearly articulate that the Willow Road access shall be utilized as a secondary access point; and
 - **11.5, Access Parcel Size and Location:** Language was added to clarify that subsequent revisions to the Lot Line Adjustment to address Caltrans requirements would not be subject to an appeal period.

No conditions of approval were substantially changed or removed. One condition of approval was added (7.1.2) that requires that the West Campus Trip Cap count equipment be installed and in good working order prior to occupancy of the West Campus. This condition of approval was inadvertently left out in the previous draft of the Conditional Development Permit.

Conclusion

The proposed West Campus component of the Facebook Campus Project would redevelop an existing vacant site and is projected to accommodate approximately 2,800 new employees for the City. To minimize impacts to the community, the West Campus project proposal includes a Trip Cap and robust Transportation Demand Management program, which would limit the increase in vehicular trips associated with the Project, and related air quality and noise impacts. As part of the review of the Facebook Campus Project, an EIR was prepared and certified, and an EIR addendum was also prepared to confirm that the revised West Campus project would not result in any new significant physical environmental impacts or increase the severity of previously identified physical environmental impacts. The certified EIR and EIR addendum determined that the Facebook Campus Project, inclusive of the West Campus component, would result in significant and unavoidable impacts related to transportation, air quality and noise. However, as identified in the Fiscal Impact Analysis prepared for the Facebook Campus Project, implementation of the Project is projected to have a net positive fiscal impact for the City. Finally, the West Campus project would provide extensive public benefits as presented in the Development Agreement prepared for the Project, including monetary contributions to the City's General Fund, provision of an additional \$100,000 contribution to the Community Fund that was established as part of the East Campus Development Agreement, and public access to the landscaped area in the vicinity of the undercrossing near Willow Road.

Staff believes that the Project includes substantial benefits that outweigh its significant, and adverse environmental impacts. As such, staff recommends that the City Council pursue the following actions as specified in Attachment A: (1) adopt a resolution adopting the Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program, (2) approve an ordinance to rezone the Project Site to M-2(X), (3) adopt a resolution approving the Conditional Development Permit, (4) approve an ordinance for the Development Agreement, (5) adopt a resolution approving the Below Market Rate Housing agreement, (6) adopt a resolution approving a Lot Line Adjustment, and (7) adopt a resolution approving the Heritage Tree Removal Permits.

IMPACT ON CITY RESOURCES

The Project Sponsor 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 Project Sponsor is also required to bear the cost of the associated environmental review and fiscal analysis. For the environmental review and fiscal analysis, the Project Sponsor deposits money with the City and the City pays the consultants.

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 Project relate to the significant and unavoidable environmental impacts and the appropriate level of public

benefit based on the request to exceed the maximum lot coverage and height on the Project Site allowed under the M-2 zoning district requirements.

ENVIRONMENTAL REVIEW

The environmental review completed for the Facebook West Campus Project, including the preparation of an EIR Addendum, Statement of Overriding Considerations and Mitigation Monitoring and Report Program is discussed in detail in the Planning Commission Staff Report dated February 25, 2013, which is included as Attachment B. The Planning Commission recommended that the City Council adopt the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program and did not recommend any changes to these documents.

Rachel Grossman
Associate Planner

Arlinda Heineck
Community Development Director

PUBLIC NOTICE

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail to all property owners and occupants within a quarter-mile (1,320 feet) radius of the Project site. The mailed notice was supplemented by an email update that was sent to subscribers of the project page for the proposal, which is available at the following address: http://www.menlopark.org/projects/comdev_fb.htm

In addition to allowing for interested parties to subscribe to receive email updates, the Project page provides up-to-date information about the Project, as well as links to previous staff reports and other related documents.

ATTACHMENTS

- A. Draft Actions for Approval
- B. Planning Commission Staff Report, dated February 25, 2013, without attachments
- C. Planning Commission Meeting Excerpt Minutes, dated February 25, 2013
- D. Applicant Tree Memorandum and Exhibits, dated March 20, 2013
- E. Tree Preservation Feasibility and Protection Guidelines, including Appendix 1, dated March 20, 2013
- F. Draft Resolution Adopting the Statement of Overriding Considerations and Adopting the Mitigation Monitoring and Reporting Program prepared for the Facebook Campus Project, West Campus
- G. Mitigation Monitoring and Reporting Program prepared for the Facebook Campus Project, West Campus
- H. Draft Ordinance Rezoning the Property at 312 and 313 Constitution Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development)
- I. Draft Resolution Approving the Conditional Development Permit

- J. Draft Conditional Development Permit
- K. Draft West Campus Trip Cap Monitoring and Enforcement Policy
- L. Draft Ordinance approving the Development Agreement
- M. Draft Development Agreement
- N. Draft Resolution approving the Below Market Rate Housing Agreement
- O. Draft Below Market Rate Housing Agreement
- P. Draft Resolution approving the Lot Line Adjustment
- Q. Draft Lot Line Adjustment Exhibit
- R. Draft Resolution approving the Heritage Tree Removal Permits
- S. Location Map
- T. Project Plans (inclusive of color and materials board)

Note: Attached are reduced versions of maps and diagrams submitted by the applicants. The accuracy of the information in these drawings is the responsibility of the applicants, and verification of the accuracy by City Staff is not always possible. The original full-scale maps, drawings and exhibits are available for public viewing at the Community Development Department.

EXHIBIT TO BE PROVIDED AT MEETING

Color and Materials Board

DOCUMENTS AVAILABLE FOR REVIEW AT CITY OFFICES AND WEBSITE

- [Addendum to Certified Environmental Impact Report prepared by Atkins, dated February 2013](#)
- [Final Environmental Impact Report \(EIR\), including Response to Comments, dated April 2012](#)
- [Draft Environmental Impact Report prepared by Atkins, dated December 2011](#)
- [Draft Fiscal Impact Analysis prepared by BAE, dated December 2011](#)
- [Final Fiscal Impact Analysis \(FIA\), dated April 2012](#)
- [FIA Response to Comments, dated April 2012](#)
- [Planning Commission Facebook West Campus Study Session Staff Report, dated September 24, 2012](#)
- [East Campus Undercrossing Plans, Dated April 20, 2012](#)
- [City Council Resolution Number. 4159, Regulations Establishing Procedures and Requirements for Development Agreements](#)

RECOMMENDED ACTIONS FOR APPROVAL**Facebook West Campus Project****Environmental Review**

1. Adopt a Resolution of the City Council of the City of Menlo Park, California, adopting findings required by the California Environmental Quality Act, Statement of Overriding Considerations and Adopting the Mitigation Monitoring and Reporting Program for the property located at 312 and 313 Constitution Drive (Attachments F and G).

Rezoning

2. Introduce an Ordinance of the City Council of the City of Menlo Park, California rezoning the property at 312 and 313 Constitution Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development) (Attachment H).

Conditional Development Permit

3. Adopt a Resolution of the City Council of the City of Menlo Park, California, Approving a Conditional Development Permit for the property located at 312 and 313 Constitution Drive (Attachments I, J and K).

Development Agreement

4. Introduce an Ordinance of the City Council of the City of Menlo Park, California approving the Development Agreement, with Giant Properties, LLC for the property located at 312 and 313 (Attachments L and M).

Below Market Rate Housing Agreement

5. Adopt a Resolution of the City Council of the City of Menlo Park, California Approving a Below Market Rate Housing Agreement with Giant Properties, LLC for the property located at 312 and 313 Constitution Drive (Attachments N and O)

Lot Line Adjustment

6. Adopt a Resolution of the City Council of the City of Menlo Park, California, Approving the Lot Line Adjustment for the properties located at 312 and 313 Constitution Drive (Attachment P and Q).

Heritage Tree Removal Permits

7. Adopt a Resolution of the City Council of the City of Menlo Park, California, Approving the Heritage Tree Removal Permits for the properties located at 312 and 313 Constitution Drive (Attachments R and S).

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PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF FEBRUARY 25, 2013
AGENDA ITEM D1

LOCATION:	312 and 313 Constitution Drive	APPLICANT:	Facebook, Inc.
PROPOSED ADDRESS:	1 Facebook Way		
EXISTING USE:	Unoccupied Office Buildings	PROPERTY OWNER:	Giant Properties, LLC
PROPOSED USE:	Corporate Campus	APPLICATION:	Conditional Development Permit, Rezoning, Development Agreement, BMR Agreement, Lot Line Adjustment, Heritage Tree Removal Permits, and Environmental Review
CURRENT ZONING:	M-2 (General Industrial)	GENERAL PLAN DESIGNATION:	Limited Industry
PROPOSED ZONING:	M-2(X) (General Industrial, Conditional Development)		

PROPOSAL

Facebook Inc. (Facebook) seeks to develop phase two of the Facebook Campus Project, which is the West Campus proposal. The approximately 22-acre West Campus is located at the intersection of Willow Road and Bayfront Expressway. The Project Site is currently addressed 312 and 313 Constitution Drive, with the anticipation that the address would be updated to 1 Facebook Way after recordation of the requested lot line adjustment. The Project Site currently includes two legal parcels with the existing

development located on the western portion of the project site. Existing development includes two vacant office buildings totaling approximately 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 West Campus component of the Facebook Campus 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 1,499 parking spaces. As designed, the project would accommodate approximately 2,800 employees. The complete project plan set submittal dated February 1, 2013 is included as Attachment B and reflects the design of the architectural firm of Gehry Partners, LLP, which is the architect of record for the project.

The entitlement process for the West Campus includes the following review and permit approvals:

- **Rezone from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development) and Conditional Development Permit (CDP):** 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;
- **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;
- **Below Market Rate (BMR) Housing Agreement:** per the requirements of the City's Municipal Code, a BMR Housing Agreement is required, which would help increase the affordable housing supply by requiring the applicant to provide an in lieu payment for the BMR fund, off-site residential units or payment of a portion of the in lieu fee and provision of off-site units;
- **Lot Line Adjustment:** to modify the location of two legal lots that comprise the project site;
- **Heritage Tree Removal Permits:** to permit the removal of 175 heritage trees associated with the proposed project;
- **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 was conducted to confirm that the proposed project would not result in environmental impacts that were not already identified in the EIR. An addendum to the previously certified EIR has been prepared as part of the project review process; and

- **Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program:** that 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.

BACKGROUND

The Facebook Campus Project includes two project sites inclusive of the East Campus and West Campus. The Project is being processed in phases, with the East Campus entitlements recommended for approval by the Planning Commission in May of 2012, and subsequently approved by the City Council in May and June of 2012.

The first phase of project review included the preparation of a Fiscal Impact Analysis (FIA), 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 explored 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. An Environmental Impact Report (EIR) was also prepared to analyze the potential physical environmental impacts associated with the development of the proposed Project, inclusive of both the East Campus and West Campus. The City Council certified the EIR, and approved the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program for the East Campus component of the Project in May 2012.

The previous staff reports, which provide more detailed background information, plus the certified EIR and FIA, are available for review on the City-maintained project page accessible through the following link:

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

West Campus – Phase Two

On June 28, 2012, the City received a preliminary application on behalf of Facebook to initiate review of the Facebook West Campus, and on August 27, 2012, the applicant submitted project plans and associated reports required for project analysis. A number of public meetings to review the project were held subsequent to this submittal, which are summarized below:

- **September 11, 2012:** City Council meeting to review the preliminary draft processing schedule for the requested land use entitlements;
- **September 24, 2012:** Planning Commission study session to review the project proposal and requested land use entitlements. A summary of Planning Commission comments is summarized below;

- **October 18, 2012:** Public Outreach meeting in Belle Haven to discuss the project proposal and requested land use entitlements;
- **October 30, 2012:** City Council meeting to provide direction on the development agreement parameters;
- **January 22, 2013:** City Council meeting to review the development agreement term sheet; and
- **February 20, 2013:** Housing Commission meeting to provide a recommendation on the BMR Housing Agreement.

At the Planning Commission study session, Commissioners provided a number of comments related to the building design. These comments, as well as a summary of how they have been addressed in the Project Design are provided below:

- Consider additional ways to incorporate human scale design elements – the applicant has incorporated canopies and landscape elements into building design to add human scale to the facades;
- Consider ways to bring more natural lighting to the parking level – natural light would be provided at the perimeter of the parking garage and the proposed high ceiling height of the garage level (18 feet) allows for deep penetration of daylight. The applicant did explore locating skylights throughout the office level into the parking level, but this concept was deemed infeasible due to Building and Fire Code requirements;
- Consider the use of elements on the parking level to provide more visual interest – the main lobby elements in the parking area would be clad in flat metal panels to add visual interest and the applicant is exploring other opportunities to add visual interest to the parking area;
- Consider the quantity of bicycle parking that will be needed and ensure sufficient bicycle parking is provided on the parking level and on the first floor – the applicant would provide 90 bicycle parking spaces in the parking level and 134 bicycle parking spaces on the first floor; and
- Consider the addition of a “pit stop” element on the Willow Road side of the campus to provide an opportunity for a local business to provide services – the applicant would provide a bike self-repair tool station for bicyclist proximate to the Willow Road frontage; however, it was determined that a “pit stop” for commercial purposes would be infeasible.

The project design is discussed in more detail below.

ANALYSIS

As discussed previously, the project proposal requires the review and consideration of a number of land use entitlements and associated agreements. A discussion of the proposed design and site layout of the project, as well as required land use entitlements and agreements is discussed in more detail below.

Design and Site Layout

The proposed project would include development of a single building above at-grade parking. The parking level would be open around the perimeter and the majority of parking spaces would be covered by the proposed structure. The height of the parking level would measure approximately 18 feet. The Zoning Ordinance requires one space per 300 square feet of gross floor area, which equates to a requirement for a total of 1,446 parking space for the proposed project. The project plans identify the provision of 1,499 parking spaces, inclusive of 26 accessible spaces and 122 parking spaces for energy efficient vehicles. None of the parking spaces would be located in landscape reserve.

The proposed single-story office building would be located above the parking level and would include approximately 433,555 square feet of gross floor area, some of which would be utilized for circulation elements in the garage and on roof levels, as well as security control stations. The roof deck would be located approximately 45 feet above grade. The building is of a linear design and spans approximately 1,565 feet along the Bayfront Expressway frontage and approximately 303 feet along the Willow Road frontage. The proposed structure, inclusive of all rooftop mechanical screening, would measure approximately 73 feet in height at its highest points.

As discussed above, the structure is very linear in nature, but as evidenced on the Project site plan, the massing of the structure would be broken up via the articulation of numerous segments of the building and the provision of striking lobby entrances at either end of the elevation fronting Bayfront Expressway. The use of exterior stairways and ramps, terraces, and extensive landscaping serves to further break up the massing of the building and add visual interest and a pedestrian scale. As presented in the site elevations and the associated color and materials board, the building would include a variety of materials including cement plaster, stainless steel, fiberglass and painted aluminum glazing.

The interior of the office is designed to house approximately 2,800 employees and includes open office space, as well as numerous amenity and support spaces. These distinct spaces include conference rooms, employee lounges, a large cafeteria, café spaces, laundry service, a fitness center, and general offices services. The interior is designed to provide natural daylighting from large window openings at the building's perimeter and skylight roof openings. Three lobbies would be located along the north side of the building (proximate to Bayfront Expressway) and a fourth employee-only lobby would be provided near the center of the building. The lobby spaces would serve as security check points at ground level and reception lounge spaces at the office level.

The office level would be moderately screened by proposed tree plantings and partially covered terraces that are directly accessible from inside the building and via pedestrian ramps and stairs from the ground. The roof is designed as an active and usable space, and would have extensive landscaped garden spaces with trees, paved gathering areas and outdoor dining spaces, as well as an approximately one-half mile walking path. The

roof design allows for assembly functions and the roof plan identifies the location where a temporary special event tent could be located up to eight times per calendar year. The roof top would also include mechanical enclosures to house the heating, ventilation and air conditioning (HVAC) equipment. The building design intends to create opportunities for flexible indoor/outdoor working environments, while maintaining a strong visual connection to the surrounding landscape and the Don Edwards San Francisco Bay National Wildlife Refuge.

The main vehicular access point to the project site would be along Bayfront Expressway. This entrance would be signalized under the proposed project and the existing curb cut would be moved approximately 250 feet to the west. Secondary and emergency access points are proposed at the northwest corner of the project site along Bayfront Expressway and at the southeast corner of the project site along Willow Road. Both of the secondary access driveways would allow right-turns only. The secondary access point on Willow Road is also designed to provide a left-turn in option for emergency response vehicles traveling northbound on Willow Road. In addition, the connection between the East Campus and West Campus would be further enhanced via additional improvements to an existing undercrossing of Bayfront Expressway that links the campuses, as discussed in more detail below.

Rezoning and Conditional Development Permit

The CDP and “X” overlay associated with the requested rezoning of the site allow for flexibility from zoning requirements, except Floor Area Ratio (FAR), while providing greater certainty regarding the parameters of a particular development proposal. The draft CDP is included as Attachment H and specifies development standards for the Project site, general compliance with the project plan set, allowed uses and conditions of approval including all mitigation measures from the certified EIR and EIR Addendum. Development standards listed in the CDP, as well as comparison to development standards for an M-2 zoned property are provided in the table below:

Development Standard	Proposed CDP Standard	M-2 Zone Requirements
Front Setback	40 feet	20 feet
Side Setback	40 feet	10 feet
Rear Setback	40 feet	0 feet
Lot Coverage	55 percent	50 percent
Floor Area Ratio	45 percent	45 percent
Height	73 feet	35 feet
Parking	1,466 to 1,499 spaces	1,446 spaces

Note: Shaded areas indicate those development standards that are not consistent with standard M-2 zone requirements.

It should be noted, that the CDP allows for some flexibility in building development and in some cases, the development standards reflected in the project plan set differ from what would be permissible under the CDP. Specifically, all proposed setbacks shown on the project plan set, with the exception of the front setback, are greater than those

specified by the CDP and the proposed lot coverage specified on the project plan set is less than what is permissible under the CDP. Constructing a building to the minimum setbacks and maximum lot coverage specified above would not require a CDP amendment. However, dependent upon the magnitude of the requested changes to the Project, additional review, either by the Community Development Director, Planning Commission or Planning Commission and City Council would be required. The framework for review of requested modifications to the project proposal is specified in Section 6 of the CDP, Modifications.

Trip Cap:

Similar to the CDP associated with the Facebook East Campus, the proposed CDP for the Facebook West Campus also includes a Trip Cap. The Trip Cap specifies the following requirements:

- Maximum of 1,100 trips during the AM Peak Period from 7:00 a.m. to 9:00 a.m.;
- Maximum of 1,100 trips during the PM Peak Period from 4:00 p.m. to 6:00 p.m.;
- and
- Maximum of 6,350 daily trips.

Specific parameters regarding the Trip Cap can be found in the West Campus Trip Cap Monitoring and Enforcement Policy, which is included as Attachment I. This document has been updated for the West Campus to reflect the fact that there is an East Campus Trip Cap, and to clarify that violations of the West Campus Trip Cap are distinct from violations of the East Campus Trip Cap. The West Campus Trip Cap Monitoring and Enforcement Policy addresses the following issue areas:

- Definitions – explanation of terminology utilized;
- Monitoring – discussion regarding how the Trip Cap would be monitored; and
- Enforcement – discussion regarding how the Trip Cap would be enforced, including penalties associated with any violations of the Trip Cap.

Key components of the proposed Project that would assist Facebook in achieving compliance with the Trip Cap include a robust Transportation Demand Management (TDM) program, enhanced bicycle and pedestrian circulation on-site, as well as an enhanced bicycle and pedestrian connection between the Facebook East and West Campuses via the existing undercrossing of Bayfront Expressway.

Undercrossing Improvements:

As part of the East Campus component of the Facebook Campus Project, Facebook is required to upgrade the existing undercrossing by making improvements to allow Facebook employees and members of the public to utilize the undercrossing via bicycle or foot to bypass the at-grade crossing of Bayfront Expressway. As part of the West Campus component of the project, the undercrossing would be further improved to allow for use by the Facebook people-mover system, in addition to bicycle and

pedestrian use. To ensure bicyclists and pedestrian safety in the undercrossing, traffic control devices would be installed on both sides of the undercrossing for controlling ingress/egress of the people-mover system into the undercrossing.

When the East Campus entitlements were reviewed and approved, it was anticipated that the East Campus component of the undercrossing improvements could be completed prior to construction of the West Campus and that the undercrossing would be temporarily closed and/or realigned during construction of the West Campus. However, as a result of expeditious submittal and review of the Facebook West Campus proposal, as well as changes to the building design (which require using the eastern portion of the West Campus Project Site as a construction staging area), it is no longer feasible to construct and open the undercrossing prior to construction of the Facebook West Campus. The proposed undercrossing improvements are now proposed to occur in two phases. As a condition of approval in the CDP, the undercrossing is required to be open prior to occupancy of the West Campus.

The first phase of the undercrossing improvements is the East Campus component, which includes the construction of the required improvements on the East Campus side of the undercrossing and continuing all the way to the West Campus property line (inclusive of construction of the improvements underneath Bayfront Expressway). The second phase of the undercrossing improvements is the West Campus component, which includes the construction of the required improvements on the West Campus side of the undercrossing, continuing all the way to the property located to the south at 1401 Willow Road.

Conceptual plans for West Campus undercrossing improvements are included in Attachment B on plan sheet WL.3.3. The conceptual plans for the East Campus component of the undercrossing improvements can be found on the April 20, 2012 East Campus plan set sheets EL.2, EL.3 and EL.4 (available on the Facebook Campus Project Page, Plan Set subpage, applicable website link provided at the end of this report). The conceptual plans included in the plan set for the East Campus component of the Facebook Campus Project also include a conceptual design for the West Campus undercrossing improvements. In the event that the Facebook West Campus is never constructed, or if there are significant delays in the construction of the West Campus, the applicant is required to bond for the West Campus undercrossing improvements to ensure that the undercrossing, and access to it, is available to Facebook employees and members of the public within a reasonable period of time.

The draft ordinance rezoning the property, the resolution approving the CDP, the CDP, and associated West Campus Trip Cap Monitoring and Enforcement Policy are included as Attachments F, G, H, and I, respectively. The CDP and associated rezoning rely on the project plans, and the CDP includes conditions of approval, along with all of the mitigation measures from the EIR. The applicant is generally amenable to the recommended conditions of approval, pending input from the public, Planning Commission and City Council.

Development Agreement

A Development Agreement is a legally binding contract between the City of Menlo Park and an applicant that delineates the terms and conditions of a proposed development project. A Development Agreement allows an applicant to secure vested rights, and it allows the City to secure certain benefits. Development Agreements are enabled by California Government Code Sections 6584-65869.5. The City Council adopted Resolution No. 4159 in January 1990, establishing the procedures and requirements for the consideration of Development Agreements (Resolution No. 4159 is available upon request at City offices or on the City's website – applicable website link provided below). Facebook is requesting a legally binding Development Agreement in concert with the requested land use entitlements

On January 22, 2013, the West Campus Development Agreement term sheet was presented to and unanimously approved by the City Council. In summary, the Project includes the following public benefits:

1. Use of an underutilized site for a global headquarter campus for the world's most prominent social networking company;
2. A high-density use in close proximity to major highways and transit routes and encouragement of alternative modes of transportation through aggressive Transportation Demand Management program;
3. A public benefit payment totaling \$1.5 million payable at \$150,000 per year for ten years following final building permit sign-off for occupancy of West Campus;
4. 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;
5. 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;
6. 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 ten years following reassessment;
7. Public access to the landscaped area in the vicinity of the undercrossing near Willow Road;
8. 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;
9. Provision of an additional \$100,000 contribution to the Community Fund that was established as part of the East Campus Development Agreement;
10. Use of Recology for recycling services, which helps minimize costs across all Recology customers in the service area due to the volume of material;

11. Provision of \$100,000 to the City to fund improvements in the area of the community proximate to the project site, with the use of funds to be determined by City;
12. Incorporation of the following provisions from East Campus Development Agreement if Facebook were to vacate the East Campus and remain at the West Campus:
 - a. Housing (Section 9),
 - b. Local Community Fund (Section 10),
 - c. Bay Trail Gap (Section 11),
 - d. Utility Undergrounding (Section 12),
 - e. Jobs (Section 13),
 - f. Environmental Education (Section 16),
 - g. Local Purchasing (Section 18),
 - h. Transportation Demand Management Information Sharing (Section 19), and
 - i. Volunteerism (Section 20).
13. Commitment to use Gehry Partners, LLP for the construction drawings;
14. Inclusion of a green roof;
15. Commitment to Leadership in Energy and Environmental Design (LEED) Gold equivalency; and
16. 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.

The term sheet has been transformed into a 30 plus page Development Agreement, and all terms approved by the City Council are either included in the Development Agreement, in the CDP, and in some cases, in both documents. In addition, some topics covered in the Development Agreement crossover into mitigations measures included in the certified EIR and EIR addendum. The draft ordinance to approve the Development Agreement and the draft Development Agreement are included as Attachments J and K, respectively.

Below Market Rate Housing Agreement

The applicant is required to comply with Chapter 16.96 of City's Municipal Code, Below Market Rate (BMR) Housing Program ("BMR Ordinance"), and with the BMR Housing Program Guidelines adopted by the City Council to implement the BMR Ordinance ("Guidelines"). In order to obtain land use entitlements, the BMR Ordinance requires the applicant to submit a BMR Housing Agreement. This Agreement is intended to satisfy that requirement and must be approved by the City Council prior to or concurrently with the issuance of land use entitlements.

The applicant intends to satisfy its obligations under the BMR Ordinance and Guidelines by one of the following methods:

- a. Paying the in lieu BMR fee, which would be approximately \$4,507,291 based upon the maximum gross floor area permissible under the CDP and the current fee schedule;
- b. Delivering off-site units, which would equate to a total of 15 residential units based upon the maximum gross floor area permissible under the CDP; or
- c. Paying a portion of the in lieu fee and delivering off-site units.

The in lieu fee paid by the applicant and off-site units delivered by the applicant must, collectively, include fees and units that satisfy the developer's obligation to offset the net, new demand for affordable housing created by the Project. Each off-site unit provided by the developer would be credited towards the net, new demand for affordable housing created by 20,427 square feet of the gross floor area of the Project. If the applicant proceeds with an in lieu fee payment to satisfy all or a portion (if some units are provided off-site) of its obligations under the BMR Ordinance and Guidelines, the in lieu fee would be determined based upon the fee schedule in place at the time the applicant makes the in lieu fee payment.

The BMR Housing Agreement was reviewed by the City's Housing Commission on February 20, 2013. The Housing Commission unanimously voted to recommend approval of the Draft BMR Agreement. The Planning Commission will also make a recommendation on the Draft BMR Agreement, with the City Council being the final decision making authority. The resolution recommending approval of the BMR Housing Agreement and the draft BMR Housing Agreement are included as Attachments L and M, respectively.

Lot Line Adjustment

The Project Site is comprised of two legal lots as reflected on sheet WA.1.1, Topographic Survey, of the plan set. The eastern lot totals approximately 8.5 acres and the western lot totals approximately 13.6 acres. As part of the land use entitlement process for the Project, the applicant is proposing a lot line adjustment to establish a Main Parcel and an Access Parcel. This is necessary to facilitate the naming of the private road that would provide access to the project site from Bayfront Expressway, and because buildings are not permitted to span property lines.

The Access Parcel would function as a private road (as referenced previously, the proposed road name is Facebook Way) and development of the parcel would be limited to hard scape improvements to construct vehicular and pedestrian access, and associated landscaping. No structures would be permitted to encroach into the access parcel. Since the parcel would only be utilized for access purposes and would not house any permanent or temporary structures, the parcel is not subject to standard M-2 zoning district requirements pertaining to minimum lot sizes, lot dimensions, setbacks, lot

coverage and FAR. The access parcel would be approximately 5,000 square feet in size, as evidenced on the Lot Line Adjustment exhibit included as Attachment O.

The Main Parcel would encompass the majority of the Project Site and would include the proposed structure. As required by the conditions of approval in the CDP, the access parcel and main parcel would remain in common ownership in perpetuity. As such, the development envelop, maximum lot coverage and maximum FAR take into account the total dimensions and square footage of both lots combined. The resolution recommending approval of the Lot Line Adjustment and the Lot Line Adjustment Exhibit are included as Attachments M and O, respectively.

Heritage Tree Removals

The applicant submitted an arborist report for the project site as part of the environmental review process for the Facebook Campus Project. The arborist report details the species, size, and conditions of all trees on site. The arborist report identified a total of 624 trees, 233 of which are identified as heritage trees. As is described in the arborist report and shown on the Tree Disposition Plan (sheet WL.1 of the plan set), the majority of the heritage trees on the Project Site are in poor health. As part of previously granted land use entitlements associated with the undercrossing improvements (some West Campus tree removals were reviewed as part of the East Campus entitlements due to their association with the undercrossing improvements) and voluntary site remediation project (which is a distinct project under the purview of the Department of Toxic Substance Control), Heritage Tree Removal Permits have already been applied for and issued for a total of 58 heritage trees on the West Campus.

As part of the West Campus Project proposal, the applicant seeks to remove the remaining 175 heritage trees, 41 of which are in good health and the remaining 134 of which are in poor health or dead. The applicant has applied for Heritage Tree Removal Permits for all 175 trees, which were reviewed by a consulting arborist, whose recommendations were reviewed by the City Arborist. The consulting arborist recommended and the City Arborist concurred, that Heritage Tree Removal Permits could be issued for all 175 trees, based upon the poor health of most trees and the fact that the location of the majority of the existing heritage trees conflicts with redevelopment of the site.

As illustrated on the project plans, the site would include heavily landscaped water-efficient ground level plantings, and trees, inclusive of a minimum 216 replacement heritage trees associated with the 175 requested heritage tree removals. Additional terrace level and rooftop gardens would help create a landscaped hillside appearance that would blend the building into the surrounding landscape. The proposed plant palette includes a diversity of plants that would provide improved site aesthetics and ecological value. The applicant is working with local environmental stakeholders, as well as ecological consulting firm H.T. Harvey and Associates to ensure that the plant palette is suitable for the project site.

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. The certified EIR analyzed the potential impacts of the Project across a wide range of impact areas. The EIR evaluated 16 topic areas as required by the California Environmental Quality Act (CEQA), as well as one additional topic area specific to the project site (Wind). The 16 required topic areas include: (1) Aesthetics, (2) Agricultural Resources, (3) Air Quality, (4) Biological Resources, (5) Cultural Resources, (6) Geology and Soils, (7) Greenhouse Gas Emissions, (8) Hazards and Hazardous Materials, (9) Hydrology and Water Quality, (10) Land Use, (11) Mineral Resources, (12) Noise, (13) Population and Housing, (14) Public Services, (15) Transportation, and (16) Utilities. Given the phased nature of the Project, these topic areas were analyzed separately for both the East Campus and West Campus, and then collectively for the entire project proposal. The EIR concluded that the Project had no impacts on Agricultural Resources and Mineral Resources. The EIR concluded that potential impacts related to Geology and Soils, Greenhouse Gas Emissions, Land Use, Population and Housing, Public Services, and Wind were less than significant and required no mitigation measures. Impacts associated with Aesthetics, Biological Resources, Cultural Resources, Hazards and Hazardous Materials, Hydrology and Water Quality, and Utilities were less than significant with the incorporation of mitigation measures. Finally, the EIR determined that there were significant and unavoidable impacts related to Air Quality, Noise, and Transportation. Of the significant and unavoidable impacts identified in the certified EIR, only three were specific to the West Campus, including the impacts associated with:

- Transportation:
 - Marsh Road and Middlefield Road intersection impact
 - University Avenue and Donohoe Street intersection impact
- Noise:
 - Construction related levels of vibration that would disrupt operations at nearby vibration-sensitive land uses

All other Significant and Unavoidable Impacts associated with the West Campus Project were also associated with the East Campus component of the Facebook Campus Project.

Because the West Campus was redesigned after the EIR was certified, additional environmental review has been conducted to determine whether the redesigned project proposed for the West Campus would result in environmental impacts that were not already identified in the certified EIR. This additional environmental review included preparation of an Addendum. The Addendum is available on the City maintained Facebook Campus Project webpage and at the Community Development Department public counter located in the City Administrative building. A link to the electronic version of the Addendum is provided below. The Addendum evaluated all 17 topic areas specified above to determine if the revised West Campus project proposal has the

potential to result in any physical environmental impacts that were not already disclosed in the certified EIR. After completion of this review, the Addendum concludes that the redesigned project would not cause any new significant physical environmental impacts or a substantial increases in the severity of previously identified significant physical environmental impacts. As a result, a supplemental or subsequent EIR is not required and the conclusions reached in the certified EIR are still valid as applied to the redesigned West Campus. An addendum is not required to be circulated for public review, nor is it required to be adopted; however, it should be considered by decisions makers (i.e., Planning Commission and City Council) when making a recommendation on, or taking action on requested land use entitlements.

The current review of the detailed development proposal for the West Campus requires Planning Commission and City Council consideration of a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program. The Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program adopted by the City Council in May of 2012 were only applicable to the East Campus, as applications for required land use entitlements for the West Campus component of the project had not yet been submitted. With the current application for West Campus land use entitlements, a Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program needs to be adopted for the West Campus. The draft resolution adopting the Statement of Overriding Considerations and adopting the Mitigation Monitoring and Reporting Program is included as Attachment D. The Mitigation Monitoring and Reporting Program is included as Attachment E and includes all applicable mitigation measures. Those mitigations measures that are most markedly different from those included in the East Campus Mitigation Monitoring and Reporting Program are those related to construction activities associated with the West Campus Project.

The Planning Commission should review and forward a recommendation to the City Council on the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program. The City Council will be the final decision-making body on all documents associated with the adoption of the Statement of Overriding considerations and adoption of the Mitigation Monitoring and Reporting Program.

CORRESPONDENCE

Since Council action on the Development Agreement Term sheet on January 22, 2013, staff has not received any items of correspondence related to this item.

RECOMMENDATION

The proposed West Campus component of the Facebook Campus Project would redevelop an existing vacant site and is projected to accommodate approximately 2,800 new employees for the City. To minimize impacts to the community, the West Campus project proposal includes a Trip Cap and robust Transportation Demand Management program, which would limit the increase in vehicular trips associated with the Project,

and related air quality and noise impacts. As part of the review of the Facebook Campus Project, an EIR was prepared and certified, and an EIR addendum was also prepared to confirm that the revised West Campus project would not result in any new significant physical environmental impacts or increase the severity of previously identified physical environmental impacts. The certified EIR and EIR addendum determined that the Facebook Campus Project, inclusive of the West Campus component, would result in significant and unavoidable impacts related to transportation, air quality and noise. However, as identified in the Fiscal Impact Analysis prepared for the Facebook Campus Project, implementation of the Project is projected to have a net positive fiscal impact for the City. Finally, the West Campus project would provide extensive public benefits as presented in the Development Agreement prepared for the Project, including monetary contributions to the City's General Fund.

Staff believes that the Project includes substantial benefits that outweigh its significant, and adverse environmental impacts. As such, staff recommends that the Planning Commission recommend that the City Council pursue the following as specified in Attachment C: (1) adopt a resolution adopting the Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program, (2) approve an ordinance to rezone the Project Site to M-2(X), (3) adopt a resolution approving the Conditional Development Permit, (4) approve an ordinance for the Development Agreement, (5) adopt a resolution approving the Below Market Rate Housing agreement, (6) adopt a resolution approving a Lot Line Adjustment, and (7) adopt a resolution approving the Heritage Tree Removal Permits. If the Planning Commission does not believe that the potential positive benefits outweigh the potential negative impacts, staff recommends that the Planning Commission provide input to the Council on each of the requested actions.

Rachel Grossman
Associate Planner

Justin Murphy
Development Services Manager

PUBLIC NOTICE

Public notification consisted of publishing a legal notice in the local newspaper and notification by mail to all property owners and occupants within a quarter-mile (1,320 feet) radius of the Project site. The mailed notice was supplemented by an email update that was sent to subscribers of the project page for the proposal, which is available at the following address: http://www.menlopark.org/projects/comdev_fb.htm
In addition to allowing for interested parties to subscribe to email updates, the Project page provides up-to-date information about the Project, as well as links to previous staff reports and other related documents.

ATTACHMENTS

- A. [Location Map](#)
- B. [Project Plans](#) (inclusive of color and materials board)
- C. [Recommended Actions for Approval](#)
- D. [Draft Resolution Adopting the Statement of Overriding Considerations and Adopting the Mitigation Monitoring and Reporting Program prepared for the Facebook Campus Project, West Campus](#)
- E. [Mitigation Monitoring and Reporting Program prepared for the Facebook Campus Project, West Campus](#)
- F. [Draft Ordinance Rezoning the Property at 312 and 313 Constitution Drive from M-2 \(General Industrial\) to M-2\(X\) \(General Industrial, Conditional Development\)](#)
- G. [Draft Resolution Approving the Conditional Development Permit](#)
- H. [Draft Conditional Development Permit](#)
- I. [Draft West Campus Trip Cap Monitoring and Enforcement Policy](#)
- J. [Draft Ordinance approving the Development Agreement](#)
- K. [Draft Development Agreement](#) (without exhibits)
- L. [Draft Resolution approving the Below Market Rate Housing Agreement](#)
- M. [Draft Below Market Rate Housing Agreement](#)
- N. [Draft Resolution approving the Lot Line Adjustment](#)
- O. [Draft Lot Line Adjustment Exhibit](#)
- P. [Draft Resolution approving the Heritage Tree Removal Permits](#)
- Q. [Draft Heritage Tree Removal Permit Exhibit](#)

Note: Attached are reduced versions of maps and diagrams submitted by the Applicant. The accuracy of the information in these drawings is the responsibility of the Applicant, and verification of the accuracy by City Staff is not always possible. The original full-scale maps, drawings and exhibits are available for public viewing at the Community Development Department.

EXHIBIT TO BE PROVIDED AT MEETING

Color and Materials Board

DOCUMENTS AVAILABLE FOR REVIEW AT CITY OFFICES AND WEBSITE

- [Addendum to Certified Environmental Impact Report prepared by Atkins, dated February 2013](#)
- [Final Environmental Impact Report \(EIR\), including Response to Comments, dated April 2012](#)
- [Draft Environmental Impact Report prepared by Atkins, dated December 2011](#)
- [Draft Fiscal Impact Analysis prepared by BAE, dated December 2011](#)
- [Final Fiscal Impact Analysis \(FIA\), dated April 2012](#)
- [FIA Response to Comments, dated April 2012](#)
- [Planning Commission Facebook West Campus Study Session Staff Report, dated September 24, 2012](#)
- [East Campus Undercrossing Plans, Dated April 20, 2012](#)
- [City Council Resolution Number. 4159, Regulations Establishing Procedures and Requirements for Development Agreements](#)

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PLANNING COMMISSION EXCERPT MINUTES

Regular Meeting
 February 25, 2013 at 7:00 p.m.
 City Council Chambers
 701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER – 7:03 p.m.

ROLL CALL – Bressler, Eiref, Ferrick (Chair), Kadvany (Vice Chair), O'Malley, Onken, Riggs

INTRODUCTION OF STAFF – Rachel Grossman, Associate Planner; Justin Murphy, Development Services Manager; Leigh Prince, Assistant City Attorney

D. PUBLIC HEARING

- D1. **Conditional Development Permit, Rezoning, Development Agreement, Lot Line Adjustment, Heritage Tree Removal Permits, Below Market Rate (BMR) Housing Agreement, Environmental Review/Facebook, Inc./312 and 313 Constitution Drive**: Request for a rezoning from M-2 (General Industrial District) to M-2-X (General Industrial, Conditional Development), Conditional Development Permit, Development Agreement and Lot Line Adjustment to construct an approximately 433,555 square foot single-story building above an at-grade parking lot that would include approximately 1,499 parking spaces. The proposed structure would exceed the 35-foot height maximum and 50 percent lot coverage maximum in the M-2 district, but would comply with other applicable development requirements including setbacks and floor area ratio. As part of the project proposal, the applicant is seeking to remove 175 heritage trees in fair to poor health, and Heritage Tree Removal Permits would be required. In addition, the project includes a BMR Housing Agreement for the payment of in-lieu fees, the provision of BMR units off site, or a combination of payment of in-lieu fees and provision of BMR units off site. Environmental review includes the preparation of an addendum to confirm that the project design would not result in environmental impacts that were not already identified in the Environmental Impact Report certified for the Facebook Campus Project by the City Council on May 29, 2012.

Staff Comment: Planner Grossman said the Commission would be asked to consider for recommendation to the City Council the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program; Rezoning from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development); a Conditional Development Permit (CDP) to permit the proposal to diverge from standard M-2 zone requirements related to building height and lot coverage; the Development Agreement, the Below

Market Rate (BMR) Housing Agreement; a lot line adjustment and Heritage Tree Removal Permits to permit the removal of 175 heritage trees associated with the proposed project.

Planner Grossman said the Planning Commission on September 24, 2012 had a study session to review the project proposal and had requested land use entitlements. At that study session, Commissioners provided a number of comments related to the building design including additional ways to incorporate human scale design elements, ways to bring more natural lighting to the parking level, the use of elements on the parking level to provide more visual interest, consider the quantity of bicycle parking that will be needed and ensure sufficient bicycle parking was provided on the parking level and on the first floor, and consider the addition of a "pit stop" element on the Willow Road side of the campus to provide an opportunity for a local business to provide services.

Planner Grossman noted that subsequently a public outreach meeting in Belle Haven was held on October 18, 2012 to discuss the project proposal and requested land use entitlements. She noted that on October 30, 2012, the City Council provided direction on the development agreement parameters and on January 22, 2013 they reviewed the development agreement term sheet. She said the Housing Commission on February 20, 2012 considered the BMR Housing Agreement and unanimously recommended approval of it to the City council.

Planner Grossman said the West Campus was located at the intersection of Bayfront Expressway and Willow Road and the addresses were currently 312 and 313 Constitution Drive. She said with project approval the address would become 1 Facebook Way. She said the proposal for the West Campus included demolition of the existing two buildings and associated site improvements, and that the applicant would then seek to construct an approximately 433,555-square-foot building on top of surface parking that would include approximately 1,499 parking spaces. She said the maximum height of 73-feet included all mechanical equipment enclosures and that the majority of the roof garden would be at a height of 45 feet. She said the proposed lot coverage was just over the 50% maximum. She noted that the proposed height and lot coverage were exceptions from the standards of the M-2 Zoning District. She said the proposed building was linear and would span approximately 1,500 feet along Bayfront Expressway and approximately 300 feet in width along Willow Road. She noted that the main vehicular access point to the project site would be along Bayfront Expressway. She said the entrance would be signalized and the existing curb cut would be moved approximately 250 feet to the west. She said the undercrossing discussed during consideration of the East Campus project would connect the East and West campuses. She said surface parking would include approximately 1,499 parking spaces and noted the addition of 90 bicycle parking spaces there as well as the 134 bicycle spaces on the first floor. She said amenity spaces included lobbies, security control kiosks, shower and locker facilities, and a mezzanine. She said the roof was proposed as a green roof element and would be usable space with a quarter mile walking trail and landscape plan. She said there was space also for a tent, which use would be limited to eight

times a year and would be no higher than maximum height of 73 feet. She said the lot coverage was at 50.3% but the applicant was requesting up to 55% to allow for some flexibility. She said they were also requesting 300 square feet of signage which current zoning limited to 150 square feet but staff believed the size of the campus was adequate for the amount of signage requested.

Planner Grossman said that similar to the Conditional Development Permit (CDP) associated with the Facebook East Campus, the proposed CDP for the Facebook West Campus also included a Trip Cap as stated in the staff report. She said specific parameters regarding the Trip Cap could be found in the West Campus Trip Cap Monitoring and Enforcement Policy, included as Attachment I. She noted the document had been updated for the West Campus to reflect the fact that there was an East Campus Trip Cap, and to clarify that violations of the West Campus Trip Cap were distinct from violations of the East Campus Trip Cap.

Planner Grossman noted a question from one of the Commissioners that day related to the reliability factor included with the West Campus Trip Cap Implementation Policy. She said there would be some calibration to account for inaccuracies in trip count that might occur because of the equipment noting folks who drive into the entrance just to have a photo taken of themselves in front of the sign with their thumb up. She said that should not be counted and would be calibrated when equipment was installed.

Planner Grossman noted that when the East Campus entitlements were reviewed and approved, it was anticipated that the East Campus component of the undercrossing improvements would be completed prior to construction of the West Campus and that the undercrossing would be temporarily closed and/or realigned during construction of the West Campus. She said that as a result of the applicant's expeditious submittal and staff's review of the Facebook West Campus proposal, as well as changes to the building design, which required using the eastern portion of the West Campus Project Site as a construction staging area, it was no longer feasible to construct and open the undercrossing prior to construction of the Facebook West Campus. She said the proposed undercrossing improvements were now proposed to occur in two phases, and that as a condition of approval in the CDP, the undercrossing was required to be open prior to occupancy of the West Campus.

Planner Grossman said a Commissioner had also inquired earlier in the day as to what would happen to the annual payment to the City which was part of the development agreement for the East Campus if the campus was vacated. She said the East Campus development agreement required total annual payments for a period of 10 years whether the East Campus was occupied or vacated.

Planner Grossman said the Housing Commission had unanimously recommended the Below Market Housing Agreement as shown in Attachment M. She said there were several ways the applicant intended to satisfy its obligations under the BMR Ordinance and Guidelines including paying the in lieu BMR fee, which would be approximately

\$4,507,291 based upon the maximum gross floor area permissible under the CDP and the current fee schedule or delivering off-site units, which would equate to a total of 15 residential units based upon the maximum gross floor area permissible under the CDP; or pay a portion of the in lieu fee and deliver off-site units.

Planner Grossman said the project site was comprised of two legal lots both similar in size. She said as part of the land use entitlement process for the Project, the applicant was proposing a lot line adjustment to establish a main parcel and an access parcel. She said this was necessary to facilitate the naming of the private road that would provide access to the project site from Bayfront Expressway, and also because buildings were not permitted to span property lines. She said the access parcel would function as a private road and development of the parcel would be limited to hardscape improvements to construct vehicular and pedestrian access, and associated landscaping. She said no structures would be permitted to encroach into the access parcel. She said as required by the conditions of approval in the CDP, the access parcel and main parcel would remain in common ownership in perpetuity.

Planner Grossman said as part of the West Campus Project proposal, the applicant was seeking to remove the remaining 175 heritage trees, 41 of which were in good health and 134 which were in poor health or dead. She said the applicant had applied for Heritage Tree Removal Permits for all 175 trees. She said the consulting arborist recommended and the City Arborist concurred that Heritage Tree Removal Permits could be issued for all 175 trees, based upon the poor health of most trees and the fact that the location of the majority of the existing heritage trees conflicted with redevelopment of the site. She said that was also contingent upon the planting of 216 replacement trees. She said current plans indicated there would be 332 trees at ground level, 25 trees along terrace level, and 225 trees on the roof.

Planner Grossman said an Environmental Impact Report (EIR) was prepared and certified by the City Council on May 29, 2012. She said this document had analyzed the potential environmental impacts associated with both the East Campus and West Campus components of the Project. She said because the West Campus was redesigned after the EIR was certified, additional environmental review had been conducted to determine whether the redesigned project would result in environmental impacts that were not already identified in the certified EIR. She said this additional environmental review included the preparation of an Addendum, and noted the Addendum was available on the City-maintained Facebook Campus Project webpage and physically at the Community Development Department public counter in the Administrative building. She said the Addendum concluded that the redesigned project would not cause any new significant physical environmental impacts or substantial increases in the severity of previously identified significant physical environmental impacts. She said that because of that a supplemental or subsequent EIR was not required and the conclusions reached in the certified EIR were still valid as applied to the redesigned West Campus. She said of the significant and unavoidable impacts identified in the certified EIR, only three were specific to the West Campus, including the

impacts associated with transportation, specifically the Marsh Road and Middlefield Road intersection impact, and the University Avenue and Donohoe Street intersection impact. She said Facebook had entered into a Memorandum of Agreement with the Town of Atherton, the intent of which was to mitigate impact. She said Facebook was working with the City on mitigation measures related to impacts at the University Avenue and Donohoe intersection. She said the third significant and unavoidable impact associated with the West Campus project related to noise and that was construction related levels of vibration that could disrupt operations at nearby vibration-sensitive land uses. She said the Planning Commission should review and forward a recommendation to the City Council on the Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program for the West Campus project proposal. She said next the City Council would review the recommendations of the Planning and Housing Commissions, and take action on the requested entitlements and that was tentatively scheduled for March 19. She reviewed the items the Commission was asked to consider.

Public Comment: Mr. John Tenanes, Facebook, said that the Facebook Design Team was present and would provide presentations looking at the building from outside in, noting they had previously presented the design looking from inside the building out.

Mr. Craig Webb, Gehry Partners, said their two key points was to design integration of the building with landscape and natural environment, noting the Bay. He said the building was designed to almost act as a hill noting the trees on the roof noting that this created a pedestrian scale traveling to the terrace level and then to the roof. He said the second key point was to have the building fit within the industrial landscape. He said this was an unusual building for his company noting its anonymous look but it was important for it to blend in and be a good neighbor with the other businesses and residential neighborhood and be part of the natural landscape. He said changes to the building since the Commission last saw the proposal included canopies that had been simplified to a more horizontal vertical architecture. He noted the addition of a ramp from ground level to terrace level and then to the roof. He said they simplified the roof forms on the two ends of the building. He said for the Bayside elevation they created a building that would integrate into the landscape. He said for the South façade that the railroad and strip of industrial businesses provided a buffer for the residential neighborhood. He said they had worked on lighting and would use small scale park fixtures that would shine pools of light downward creating patterns. He said the materials proposed were to create a dialogue with other industrial buildings in the area, and noted the white plaster facades with large punched window openings and the use of soft brush stainless steel for main pavilion entries. He said the main canopies would be corrugated stainless steel noting the severe marine environment and others would be translucent using corrugated fiber glass. He said there would be glass on the ends of the buildings and punched openings. He said they would use a frit pattern on the glass to mitigate birds flying into the glass. He said they were researching this and working with an ornithologist to get the right pattern. He said the window mullions were metallic silver painted aluminum with steel frames supporting them. He said they would

use pervious concrete on the fire access road and wood decking on top of the ramp. He said the enclosures for the mechanical equipment and security elements at the bottom of the ramp and stairways would be metal wire mesh with green coating upon which plant material would grow.

Mr. Chris Guillard, CMG Landscape Architects, said the overall landscape concept was a key material part of the project. He said they approached the landscape design based on ecological principles but also artfully to integrate the concept of the building as a landscape, with plant treatments unique and specific to the site. He said the bands of landscaping were suggested by architect Frank Gehry. He said each of the bands had a palette associated with it. He noted that Ms. Barrie Coate, a prominent Bay area ecologist and arborist, was being consulted for plant and tree species choices suited to this site. He said that water use and efficiency was an important part in that selection. He described the various bands and associated palettes. He said the goal was to create ecological habitat, noting the meadow at the east end of the property and on the roof garden. He noted the tunnel undercrossing connection from Willow Road and a number of seating areas introduced at intersection including a bicycling fixing station. He said half of the path would be dedicated to public access and the other half for a shuttle to link the east and west campuses. He said it would look park like and natural. He said they would create a path from Willow Road and Bayfront Expressway to connect with the tunnel, and they would clean up the tunnel, and use lights to make it welcoming at night, noting it also had potential as a public art space.

Mr. William Nack, a Menlo Park resident, said he was speaking on behalf of the San Mateo County Building Trades Council, noting other members of the Council were present as well. He said they supported the Facebook proposal and staff's recommendation to move forward with the West Campus project. He said they were excited not just only for the jobs it represented to their Council members but the promise it held for all of Menlo Park and San Mateo County in terms of economic development. He said the millions of dollars generated through the East and West campuses' development agreements were important but a huge public benefit to Menlo Park and San Mateo County was that Facebook chose to locate in Menlo Park. He said Facebook's success in Menlo Park would lead other companies to want to come to San Mateo County, which would help all business sectors. He urged the Commission to recommend approval to the City Council.

Ms. Fran Dehn, Chamber of Commerce, said that this social networking company launched in 2004, did many things including helping people keep in touch, and uniting and rallying users. She said a briefing for brokers hosted by the Silicon Valley Economic Development Alliance described development opportunities along the Dumbarton corridor. She said Menlo Park's City Manager was the opening speaker and said that reasons to consider Menlo Park as a preferred business location included the demand for development, the adopted Specific Plan, the Housing Element submitted for approval, and Facebook. She said the City has seen productive land use, vacant campus and fallow parcels become much more productive and aesthetic, environmental

stewardship, LEED design, green building practices, conservation measures, economic vitality, business attraction and innovation, and most certainly jobs. She said this has been through Facebook community collaboration and investment in schools, organizations, charities as well as retail sponsorship, and of course architectural acclaim. She said having Frank Gehry's iconic cultural design innovation for the City branded it as Facebook's home. She said the Chamber urged the Commission to move forward on the project as recommended by staff. She said Facebook continued to set precedence with the technology driven design for the West Campus and that positioned Menlo Park to be one of the unique international examples of acclaim in both business innovation and architectural and environmental modernity.

Chair Ferrick closed the public hearing.

Commission Comment: Commissioner Bressler said it was a beautiful building. He said the applicants wanted more height which was offset by landscaping. He said there might be other businesses more technologically innovative than this and noted elements in the EIR of significant and unavoidable impacts. He said they had already approved the increase in the employee count. He said it was a wonderful addition aesthetically to the reputation of Menlo Park. He noted that the City still needed to grapple with significant and unavoidable impacts.

Chair Ferrick noted the various landscaping schemes. She said Oaks and other tree species would drop leaves and asked how that would be handled on the roof. Mr. Guillard said similar to native landscapes they would allow the leaf drop to return to the soil and that there would not be a lot of green waste from the site.

Chair Ferrick said that the trees proposed for the roof looked like heritage type trees and asked about the roof building materials. Mr. Guillard said technology for this type of roof garden had really advanced noting Chicago's Millennium Park and San Francisco's Union Square. He said they would use good water proofing membrane, good drainage and protection of materials separating those from the roof materials themselves.

Chair Ferrick said she liked the additional bike and shower facilities on the ground floor. She said the trip caps were reasonable and would contribute to making traffic impacts appear significantly less. She said the concepts of blending in and being a good neighbor summarized how she felt about the building and Facebook.

Commissioner Kadvany noted strong northwest winds in the area especially in the summer, and asked how the roof trees would withstand that without uprooting. Mr. Guillard said they intended to use broad canopy trees that did not have a structure as susceptible as other trees to being blown over by the wind and that they would use enough soil depth to allow the roots to spread very similarly to how they would in a natural environment.

Commissioner Kadvany noted that he agreed with Ms. Dehn's comments.

Commissioner O'Malley said he was very excited about the project and had no negative comments. He also wanted to reaffirm his excitement about the building design. He asked about the impact of a 6.0 earthquake on the roof trees or the building itself. Mr. Webb said that the design incorporated California earthquake code requirements. He noted that the soil for the roof garden put a premium on the structure. He described pilings into the ground, braced frames from the parking level, the ground and another set of braced frames bracing the main story of the building. He said quite a bit of design effort had gone into the main lateral support of the building. He said that in some places on the roof there would be more than four feet of soil depth.

Commissioner Eiref asked about the traffic pattern of people coming down Willow Road from Menlo Park toward the building, and asked if they would be allowed to turn in there. Mr. Chip Taylor, Director of Public Works, said that was only a right in, and right out access point, and was limited access for service vehicles only.

Commissioner Eiref said he was amazed at the number of employees taking alternative transportation. He asked about the number of parking spaces and employees and whether there was an assumption of at least three employees per vehicle trip or whether vehicles parked on the other side and used people movers to get across. Mr. Tenanes said about 45% of the employees came to work via some other transit than a single occupancy vehicle. Commissioner Eiref asked if vehicular use had reduced at all for the East Campus. Mr. Tenanes said they were trying to increase from the 45% to 50%. Commissioner Eiref asked if the people movers were golf carts. Mr. Tenanes said they were larger electric vehicles that hold 12 people.

Commissioner Riggs said he wanted to echo Ms. Dehn's well made comments. He noted there was 1,000 feet between the entry points of the garage and the north and south elevator towers. He asked what arrangements there were for employees who parked in one section but ended up working late and in a different section so they did not have to walk 1,500 feet to their car in the dark. Mr. Webb said it was a 1,500 foot long garage with four different entry points from parking to the building but noted that Facebook was a walking culture. Commissioner Riggs noted the ceiling height that was generous but said at 8 p.m. at night this could be a spooky space and asked about the use of artificial lighting to counteract. Mr. Tenanes said there was a similar situation on the East Campus and that had a parking lot even bigger than this one. He said there were 250 free bicycles for that campus and employees use those to ride to their cars. He said those bikes would be available to travel from the East Campus to the West Campus. He said the garage ceiling was 14 feet high and open all around the perimeter to allow daylight. He said for the linear walkway they were proposing a blue light neon strip and looking at different strategies to pave it. He said they were looking at different ideas using paint to create an engaging environment.

Commissioner Riggs commented that for the record although Facebook was not lacking in their efforts there was substantial unmitigated impact on the intersection at Marsh

Road and Middlefield Road. He said Menlo Park and Atherton were going to have to do their share and make some changes or there would be impacts in both cities in the near future that would make people unhappy. He said there was a fair amount of glass in large pieces noting differences in north and south facing glass, and asked how that was addressed. Mr. Webb said all glass would have rolling shading devices as well as blackout shades including skylights and vertical glass.

Commissioner Riggs said with the height of the ceiling in the garage that the setting sun might have a clear shot into it which could translate into safety problems. Mr. Webb said that the landscaping would hopefully solve that as well as screen the vehicles in the garage. Commissioner Riggs said that the landscaping would appear somewhat naked for awhile. Mr. Webb noted on there was a pretty significant row of trees across the north side of site and the majority of pines across that façade closest to the expressway would remain. He said that they would use about 40 % of the frontage and do in-fill between. He said on the south side large eucalyptus trees would be maintained as well as trees on the easterly side.

Chair Ferrick asked about Facebook's agreement with the Town of Atherton. Planner Grossman said the Memorandum of Agreement between the Town and Facebook related to the East Campus required the applicant to pay \$350,000 to Atherton to mitigate impacts at the Marsh and Middlefield Roads intersection.

Planner Grossman noted for the record that the proposal was for the removal of 694 trees of which 175 were heritage trees and the remaining 359 were non-heritage.

Mr. Webb said that the study of maintaining trees on the site had happened after the report was submitted. He said trees were expensive and they would save as many as possible. Chair Ferrick suggested the addition of the statement that the applicant intended to keep as many trees as possible as she was concerned that the application indicated differently. Planner Grossman said this was analogous to the flexibility built in for the lot coverage and setbacks, and suggested leaving the proposed tree removals as stated in the report as sort of a worst case scenario and acknowledging through comments and public record that applicant would strive to maintain as many trees as feasible.

Commissioner Riggs thanked Planner Grossman for pointing out the difference between the presentation and what they would vote upon. He said he would have trouble approving blanket removal of trees and disagreed that there was an economic incentive to keep trees noting the minor cost of a 24-inch box tree. He said it took time to grow trees, and the proposed parapet wall was 81 feet high at some points. He asked how many of the trees the applicant could commit to saving. Mr. Guillard said for the tree disposition plan they had worked with an arborist recognizing construction needed to occur and to be compliant but also looking for some flexibility. He said some trees looked good but have health issues. He said they tagged about 25 trees along the edge that were healthy and outside the drainage zone. He said they identified five eucalyptus

trees on the south side that they think can be saved. He said that they thought they could save 30 trees and that had been what was shown in the visualization.

Chair Ferrick suggested adding a note that 20 to 25 healthy trees along the bayfront and up to five eucalyptus trees on the south side would remain. Planner Grossman suggested that staff refine something in the plans or conditions with the applicant team with perhaps some additional analysis for the Council crafting something to support compliance with the Commission's desire to have trees preserved.

Commissioner Riggs said the lot line adjustment seemed necessary only to create a bit of a stub to enable the address of 1 Facebook Way, which would not actually help anyone find the building although the building could not be missed.

Development Services Manager Murphy said staff thought the lot line adjustment was an appropriate approach as it provided the opportunity for the signalized intersection to have a cross street. He said without that the signalized intersection would be Bayfront Expressway and no other cross street.

There was Commission consensus to take the items for consideration one at a time.

Commissioner Riggs moved to recommend that the City Council adopt a Resolution adopting findings required by the California Environmental Quality Act, Statement of Overriding Considerations and Adopting the Mitigation Monitoring and Reporting Program for the property located at 312 and 313 Constitution Drive.

Commissioner Bressler said people had indicated there were impacts to intersections and other traffic sections that could be mitigated. He said there were reasons to approve this project. He said however that future projects with traffic impacts that could not be mitigated would not get his approval as this was becoming a big problem for the City.

Commissioner Riggs said he made the motion based on Facebook being asked to address traffic mitigations and that they have responded as requested. He said this did not accomplish the mitigation and his hope was the City and Town of Atherton would step forward and complete the mitigation.

Commissioner Kadvany asked what the Statement of Overriding Considerations meant to the City. Planner Grossman said most simply put that the City found that the benefits of the proposed project outweighed the physical environmental impacts identified in the certified EIR and Addendum.

Commission Action: M/S Riggs/O'Malley to recommend that the City Council adopt a Resolution adopting findings required by the California Environmental Quality Act, Statement of Overriding Considerations and Adopting the Mitigation Monitoring and Reporting Program for the property located at 312 and 313 Constitution Drive.

Motion carried 6-0, with Commissioner Onken recused.

Commission Action: M/S Riggs/Ferrick to recommend that the City Council introduce an Ordinance rezoning the property at 312 and 313 Constitution Drive from M-2 (General Industrial) to M-2(X) (General Industrial, Conditional Development).

Motion carried 6-0 with Commissioner Onken recused.

Commissioner Riggs said the landscaping was a critical part of the design ethic and the hope for blending the structure with the landscape. He said challenges included using plantings that would be sustainable. He said when Bayfront Park was created four feet of soil was added and plants planted but those had not done well either because of the wind or the soil. He add that trees 45 feet up in the air might need particularly compacted soil to endure through strong winds

Commissioner Riggs said this project changed the timing of the undercrossing schedule. He said there was a small possibility that this project might be put on hold or delayed and the undercrossing would not be done. He said the undercrossing was one of the public benefits under the East Campus development agreement. He suggested picking an opening date for the undercrossing compatible with the proposed construction of the West Campus so that if there was a delay with that construction at least the undercrossing would be built.

Planner Grossman said staff would concur with that comment and noted H-13 of the Conditional Development Permit and sequencing of undercrossing improvements 10.1 which was a requirement assuming projects were done mid-2015 that the applicant could not occupy the building until undercrossing was open. She said in the event the West Campus never developed or there was substantial delay the applicant was required to bond for the improvements on the West Campus and construct those. She said there was a commitment under the CDP that the undercrossing would be constructed even if the West Campus was not built or significantly delayed.

Commissioner Riggs said his issue was with the delay as the undercrossing had been scheduled for the end of the year originally and now would not occur until the end of 2014. He said if there was a project delay there would be yet more delay for the undercrossing. Planner Grossman said the City had not expected the application for the West Campus as quickly as it had occurred which was why the staff report that had gone previously to the Commission and City Council in May and June 2012 had indicated a three-phased approach with some interim closures while the West Campus was being constructed. She said two things had made that infeasible. She said the first was that the applicant had submitted the West Campus application a month after the entitlements and the project was moving much more quickly than staff or the applicant had anticipated which made it challenging to open the undercrossing. She said given the new design of the building a staging area was needed and the area of the

undercrossing was the only location on site where all the construction materials could be staged. She said even if they could construct something it would be unsafe to open it and there would not be any location to actually construct the pathway because of construction materials on that location.

Commissioner Riggs said in the case of construction delay for the West Campus that the construction materials would not be accessed and given that the undercrossing was at the perimeter of the site a safe area could be fenced off. He said this was worst case and not something they expected. He said if the project however were delayed for three years it would be nice to know that as soon as that delay started to trigger that the City could expect completion of the undercrossing. He said the way he read the condition was that it was bonded which meant the City would end up having to try to find a contractor to get it completed. Planner Grossman said the bonding was a requirement discussed in Section 1 of that phasing component. She said Section 3 was a construction component and that discussed having an early construction trigger to develop the West Campus undercrossing conceptual plan if the applicant was not moving forward with development of the West Campus. She said that was on page H-14 under 3.I Construction. Commissioner Riggs said it was clear Planner Grossman had done an excellent job of guiding the Commission through everything related to this project item.

Commissioner Riggs said he was concerned with the sheer expanse of stucco wall on the south façade. He said in context that the Commission has frequently criticized commercial buildings that have large uninterrupted expanses of stucco. He said the towers would be very dominant particularly from the neighborhood. He asked how they came to that finish and if there were alternatives on the board or design intent he was missing.

Mr. Webb said the towers were screening mechanical systems and required by code. Commissioner Riggs noted that these were 81 feet in height and were not required to be stucco continuous to the ground. Mr. Webb said they thought this was the best architectural response rather than the complexity of adding another material to the façade. He said on the lower portion of the façade every structural bay had a large window so that was the main part of the façade seen by neighbors; he noted that the building was distanced from the residences by railroad tracks and industrial strip. He said their intent was to keep the building simple and related to other industrial buildings in neighborhood and not make it complex by adding another material.

Commissioner Riggs noted a tower in San Francisco in a very large park that used Cortan screen which related more easily to natural materials. He said it was not the same environment but the material being uses as a backdrop from a residential neighborhood was not as bold as that being proposed here. He said the white stucco would be really lit up by the sun at least until the trees were 40 or 50 years older, and said he was not sure this material was the best solution. Mr. Webb said that their design team thought it was the best solution. Chair Ferrick said the photo-simulation of

the facade had helped her to visualize what it would look like, and it seemed that it would blend in well with the landscape. She said also from the Newbridge Avenue view that the tower seemed to also blend.

Commissioner Riggs said despite his concerns and as noted by Mr. Webb that there were different aesthetic opinions, the City was putting their trust in one of the most creative architectural teams. He moved to recommend that the City Council adopt a Resolution Approving a Conditional Development Permit for the property located at 312 and 313 Constitution Drive. Chair Ferrick seconded the motion.

Commission Action: M/S Riggs/Ferrick to recommend that the City Council adopt a Resolution of the City Council of the City of Menlo Park, California, Approving a Conditional Development Permit for the property located at 312 and 313 Constitution Drive, with the following modification.

- a. Amend Condition of approval 9.10 as follows (new text underlined):
Landscape Plan: During the Main Construction Phase (8.1.5), the Applicant shall submit a detailed on-site landscape plan, including the size, species, and location, and an irrigation plan shall be submitted for review and approval by the Planning, Engineering, and Transportation Divisions, prior to building permit issuance. The landscape plan shall illustrate the retention of the maximum number of trees feasible, with the potential retention of approximately 30 trees previously indicated to be removed on plan sheet WL.1, to the satisfaction of the Planning Division. The landscape plan shall include all onsite landscaping, adequate sight distance visibility, screening for outside utilities with labels for the utility boxes sizes and heights, and documentation confirming compliance with the Water Efficient Landscaping Ordinance (Municipal Code Chapter 12.44). The landscape plan shall include an appropriate mix of native and adapted species to complement the nearby Don Edwards San Francisco Bay National Wildlife Refuge and shall be reviewed and approved by the Community Development Director and Public Works Director prior to building permit issuance.

Motion carried 6-0 with Commissioner Onken recused.

Commission Action: M/S Riggs/O'Malley to recommend that the City Council introduce an Ordinance Approving the Development Agreement with Giant Properties, LLC for the property located at 312 and 313 Constitution Drive.

Motion carried 6-0 with Commissioner Onken recused.

Commission Action: M/S O'Malley/Riggs to recommend that the City Council adopt a Resolution Approving a Below Market Rate Housing Agreement with Giant Properties, LLC for the property located at 312 and 313 Constitution Drive. Commissioner Riggs confirmed with staff that the BMR funds received went to a dedicated fund and not to general fund.

Motion carried 6-0 with Commissioner Onken recused.

Commission Action: M/S Ferrick/Eiref to recommend that the City Council adopt a Resolution Approving the Lot Line Adjustment for the properties located at 312 and 313 Constitution Drive.

Motion carried; 6-0 with Commissioner Onken recused.

Chair Ferrick said related to the Heritage Tree Removal Permits they had discussed recommending formalization of the Commission's request to retain 20 to 25 healthy trees along the Bayfront Expressway and approximately five Eucalyptus trees on southeast corner of the property.

Planner Grossman said that wording would be better within the motion for the CDP as not all those trees might be heritage trees and suggested making the language applicable to both the CDP and Heritage Tree Removal Permits items. This was acceptable to the Commission.

Commission Action: M/S Riggs/O'Malley to recommend that the City Council adopt a Resolution Approving the Heritage Tree Removal Permits for the properties located at 312 and 313 Constitution Drive, with the following modification.

- b. Require the applicant to explore retention of existing heritage trees, as required in Conditional Development Permit condition of approval 9.10, as amended.

Motion carried 6-0 with Commissioner Onken recused.

Commissioner Riggs said the project had wonderful site planning and challenging scale but dynamic and exciting forms that he was really looking forward to seeing this project built.

Commissioner Bressler said he also wanted to compliment Planner Grossman for her work on the project.

ADJOURNMENT

Meeting adjourned at 9:25 p.m.

Staff Liaison: Justin Murphy, Development Services Manager Murphy

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on March 18, 2013

MEMORANDUM

To: Rachel Grossman, City of Menlo Park

Date: March 20, 2013

Regarding: Facebook West Campus
Tree Retention and Preservation

From: Chris Guillard

The Tree Disposition Plan included with the Plan Set submittal dated February 1, 2013, indicates the removal of all existing heritage and non-heritage trees on the site and replacement of the trees consistent with the requirements of City's Heritage Tree Ordinance. The status of the design and the need for ongoing coordination with PG&E and Caltrans precluded the designation of specific trees for retention as part of the Plan Set Submittal.

During the Planning Commission Hearing on February 25, 2013, the design team presented a series of plans and video simulations that showed retention of select trees along north edge of the property adjacent to Bay Front Expressway, because in between the February Plan Set Submittal and the Planning Commission hearing, the design team had the opportunity to complete additional design and engineering work, including site grading, utility engineering and preliminary alignment for the undergrounding of the 12 kv and 4kv power lines. The results of this work indicate that it is possible to retain approximately 20 – 25 heritage trees along the north edge of the site and an additional approximately 7 heritage trees along the southeast corner of the site. This is consistent with the images presented at the Planning Commission hearing and accurately reflects the most current design intent.

A number of design, engineering and technical coordination items need to be completed in order to confirm the tree retention/preservation plan. These include ongoing coordination with PG&E to finalize the underground power line alignments and equipment locations, additional coordination with Caltrans to address the entry drive relocation and required site lines, and completion of the final site utility and grading design.

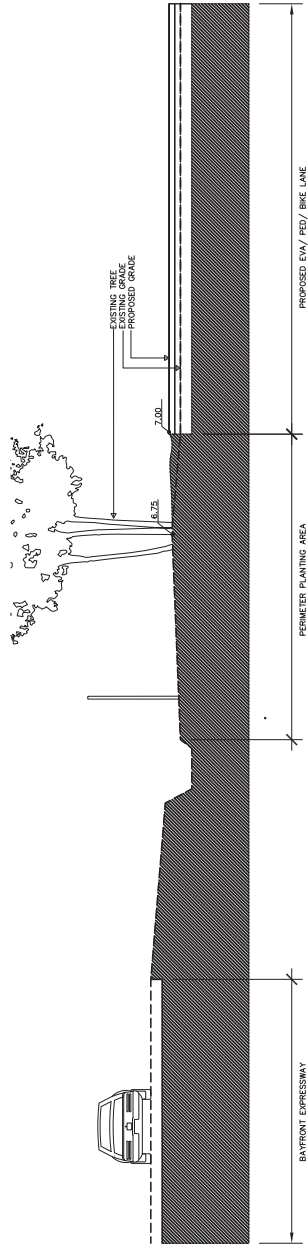
At the request of staff, Facebook has prepared the attached Tree Preservation Exhibits including the Potential Tree Preservation Plan indicating the trees that the design team intends to retain to the maximum extent feasible and the Potential Tree Preservation Sections illustrating existing and proposed grading relative to the trees identified for preservation. An Arborist Report detailing the Tree Preservation Feasibility and Tree Protection Guidelines is also attached.

The Potential Tree Preservation Plan will be refined and finalized as part of the design process and will be submitted along with the required Landscape Plans during the Main Construction Phase.

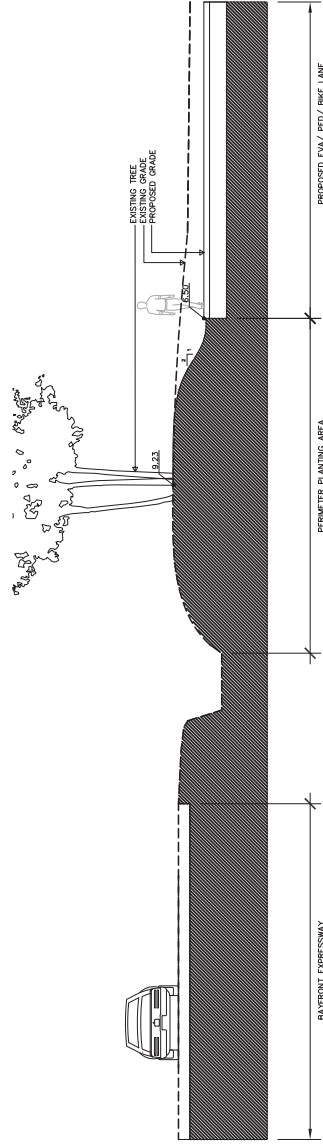
Please do not hesitate to contact us should you have any questions about this approach.

Attachments:

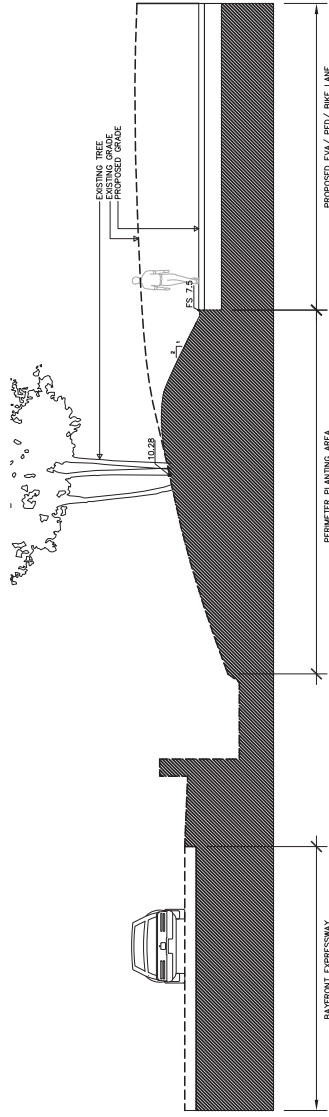
- Potential Tree Preservation Plan & Potential Tree Preservation Sections
- Arborists Report: Tree Preservation Feasibility and Tree Protection Guidelines



SECTION C



SECTION B



SECTION A



facebook west campus

312 & 313 CONSTITUTION DR.
MENLO PARK, CALIFORNIA

POTENTIAL TREE PRESERVATION SECTIONS

SCALE: 1"=1/8"

MARCH 20, 2013

Arborist Report

Prepared at the request of:

CMG LANDSCAPE ARCHITECTURE

Facebook West Campus Tree Preservation Feasibility and Protection Guidelines

DATE: 3-20-13

Prepared by:

SBCA TREE CONSULTING
Stephen Batchelder, Consulting Arborist

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Introduction

This report was prepared with close consultation of Chris Guilard of CMG. This report evaluates the feasibility of retaining 20 – 25 Aleppo Pine trees and 7 Blue Gum Eucalyptus trees on the Facebook West Campus. The report also includes guidelines for the preservation of these trees. Arborists reviewed the trees on 3-18-13, during site cleanup.

Description of Potential Trees to be Preserved

The trees designated for potential retention are located in four areas of the Facebook West Campus. A total of 32 trees are designated for retention; 7 eucalyptus and 25 pines.

South-East Corner: Seven Blue Gum Eucalyptus (*Eucalyptus globulus*) were selected for retention in this area. All are full stature (have not been topped or headed) and appear to be in good health. Tree numbers are as follows: 390, 393, 394, 395, 399, 400 & 401. All are quite large with diameters ranging from 28 inches to 53 inches; heights range from 35 to 60 feet.

North-East Corner: Sixteen (16) Aleppo Pines (*Pinus halepensis*) have been selected to remain. Tree numbers include: 404, 405, 407, 408, 409, 411, 412, 413, 414, 415, 417, 418, 419, 420, 423 & 424. The tree diameters range from 20 to 36 inches. Most of the trees have a significant lean and several have poor structural qualities that could be improved by pruning. Some trees that are not designated for retention will be removed from within the stand.

Middle-North Edge: Sixteen (6) Aleppo Pines (*Pinus halepensis*) have been selected to remain. Tree numbers include: 442, 443, 454, 459, 461, & 465. The tree diameters range from 15 to 24 inches. Several of the trees have poor structural qualities that could be improved by pruning. Some smaller trees that are not designated for retention will be removed from within the stand.

North-West Corner: Eight (3) Aleppo Pines are designated for retention in this area. Tree numbers include: 220, 226, & 229. Tree #228 was designated for retention but appears to have been removed. These trees are similar in condition to the other Aleppo Pines but larger. Some safety pruning may be needed here as well.

Table 1.

Survey data for potential trees to be preserved.

Tag #	Species	Diameter	Ht.	Hlth.	Str.	Notes
220	<i>Pinus halepensis</i>	17	65	G	G	Heritage tree
226	<i>Pinus halepensis</i>	15.5	40	G	P	Heritage tree; Significant included bark; Lean; <i>Photinia</i> understory
229	<i>Pinus halepensis</i>	17.5	60	G	P	Heritage tree; Lean; Included bark
390	<i>Eucalyptus globulus</i>	42	65	G	F	Heritage tree
393	<i>Eucalyptus globulus</i> 'Compacta'	37" @ 18"	45	G	F	Heritage trees Tortoise Shell Beetle
394	<i>Eucalyptus globulus</i> 'Compacta'	42" @ 1'	50	G	F	Heritage trees Tortoise Shell Beetle
395	<i>Eucalyptus globulus</i> 'Compacta'	28" @ 1'	35	P	F	Heritage tree; Tortoise Shell Beetle



399	<i>Eucalyptus globulus 'Compacta'</i>	53" @ 1'	50	G	G	
400	<i>Eucalyptus globulus 'Compacta'</i>	52" @ 3'	60	F	G	
401	<i>Eucalyptus globulus 'Compacta'</i>	30" @ 18"	40	F	F	Heritage trees; Tortoise Shell Beetle Heritage tree; Included bark
404	<i>Pinus halepensis</i>	21	40	F	P	
405	<i>Pinus halepensis</i>	15.5" @ 30"	25	G	P	
407	<i>Pinus halepensis</i>	17.5" @ 36"	20	G	P	Heritage tree; Included bark
408	<i>Pinus halepensis</i>	18" @ 30"	25	G	P	Heritage tree; Lean
409	<i>Pinus halepensis</i>	25" @ 24"	10	G	P	Heritage tree; Significant lean, laying down
411	<i>Pinus halepensis</i>	20	35	G	F	Heritage tree
412	<i>Pinus halepensis</i>	18" @ 18"	35	G	P	Heritage tree; Included bark; Multi, Euonymus understory
413	<i>Pinus halepensis</i>	20" @ 30"	40	G	F	Heritage tree; Lean
414	<i>Pinus halepensis</i>	19.5" @ 36"	40	G	G	Heritage tree
415	<i>Pinus halepensis</i>	19" @ 30"	30	G	G	Heritage tree
417	<i>Pinus halepensis</i>	20" @ 30"	30	G	F	Heritage tree; Lean
418	<i>Pinus halepensis</i>	25" @ 48"	30	F	F	Heritage tree; Lean
419	<i>Pinus halepensis</i>	16" @ 48"	30	G	G	Heritage tree; Slight lean
420	<i>Pinus halepensis</i>	17	40	G	G	Heritage tree
423	<i>Pinus halepensis</i>	15.5" @ 4"	40	F	G	Heritage tree
424	<i>Pinus halepensis</i>	19.5" @ 3'	30	G	F	Heritage tree
442	<i>Pinus halepensis</i>	22.5" @ 2'	40	F	P	Heritage tree; Included bark; Lean
443	<i>Pinus halepensis</i>	18.5" @ 2'	30	F	F	Heritage tree
454	<i>Pinus eldarica</i>	15	40	F	F	Heritage tree; Co-dominant
459	<i>Pinus eldarica</i>	18	35	F	G	Heritage tree; Pruning wounds
461	<i>Pinus eldarica</i>	17	40	F	P	Heritage tree; Pruning wounds; Included bark
465	<i>Pinus eldarica</i>	15	35	F	F	Heritage tree; Pruning wounds

TREE PRESERVATION FEASIBILITY

Though equipment is now on site and working, none of the trees are currently at risk. The project landscape architect (CMG) and arborist have reviewed existing grades as well as proposed grades, paving areas and utilities relative to the trees identified in the report and have determined that it is feasible to preserve the trees without the addition of retaining walls or other retention features.

Grading Considerations: All of the trees identified for potential retention are located in close proximity to the edge of the property where proposed grades will transition to match existing grades and significant grade changes within the critical root zone will not occur. The proximity of the proposed emergency vehicle lane (EMV) and associated excavations are the primary concern for tree preservation. The



pervious concrete paving and permeable base material will allow air and water to reach the root zone and tree protection measures will help to ensure retention and ongoing health of the trees. Still, a final determination of the feasibility of tree retention can only be made during construction when root presence/potential loss can be properly assessed.

Existing and proposed grades at the North-East Corner grouping of trees are very close to one another at elevation 6.5 -7.5 and the EMV is an adequate distance from the designated root protection zone (RPZ). Existing and proposed grades at the Middle-North Edge grouping of trees are very close one another at elevation 7.0 – 8.0 and the EMV is also an adequate distance from the RPZ. The trees located in the North-West Corner grouping are located on an existing berm at an elevation of 10 – 11 and the adjacent EMV grades in this area will be 7.5 – 8.0. Grades within the RPZ will be maintained at or near existing grades and the 2.5 – 4 foot elevation difference between the trees and the EMV will be accommodated by re-grading the berm with a maximum slope of 2H:1V. The proposed EMV is an adequate distance from the RPZ to accommodate this elevation change, however impacts to the root zone of these three trees during construction could preclude retention. The trees in the South-East Corner grouping are very close to the property line and as a result the existing and proposed grades at very close one another and adjacent paving areas including the EMV and entry drive are an adequate distance from the RPZ. Refer to the attached exhibits including the Potential Tree Preservation Plan and the Tree Preservation Sections.

Utility Considerations: CMG has also coordinated with the project civil engineer (BKF) and has confirmed that trenching the preliminary alignment for the undergrounding of the existing 12kv and 4kv power lines and other utilities including fire water, sanitary sewer, storm drain, electrical and gas will not preclude preservation of the trees.

Final Design and Agency Approvals: Although the Arborist and CMG are both confident that preservation of the trees is feasible, additional coordination is required with both PG&E and Caltrans to finalize the proposed underground power line alignment and the relocation of the main project entrance. PG&E will be responsible for the final engineering of the power line and revisions to the alignment of the line or location of utility structures could impact the retention of the trees. In addition, final engineering of site utilities, as well as coordination and permit review required to meet City and Fire District requirements could also result in design modifications that would preclude retention of the trees. To address these considerations, the Tree Disposition Plan included as part of project Plan Submittal (February 28, 2013) proposed removal and replacement of all site trees consistent with the City's Heritage Tree Ordinance. It should be noted that the trees included in this report may not be retained for the reasons cited above.

TREE PROTECTION GUIDELINES

Summary

Primary tree protection will be attained by the installation of tree protection fencing placed at the limit of the designated root protection zone (RPZ) as per specifications. Though no equipment is permitted within the RPZ, it may be practical to perform the designated tree and brush removal prior to placement of the fencing. Prior to this, the RPZ should be clearly marked with marker paint to indicate the area where handwork is required. It is recommended that some minor pruning be conducted to improve the safety of trees being retained. It is also recommended that some of the wood chips generated from tree pruning and removal be utilized as mulch around the trees to be retained. Access to the fenced RPZ areas is prohibited for personnel or storage of materials. The stored materials in the area of the Blue Gum Eucalyptus trees must be removed from within the RPZ.



Guidelines

These guidelines provide for the care and maintenance of trees before, during and after construction. The goal of tree protection and preservation guidelines is to provide for a successful transition for the trees within the modified site.

To be most effective, tree preservation and health mitigation measures should commence well before the time the trees are to be adversely impacted. Protecting the trees from mechanical injury is most effective when trees can be fenced at or beyond the limit of the RPZ. The best method of protecting the trees is exclusion of all activities from the designated RPZ. Soil compaction and storage of materials inside of the RPZ is unacceptable. There are a number of factors that influence the ability to properly retain and preserve trees. All Construction Personal are to be Aware of the Following:

- **Season** – The adverse impacts on trees from root or crown pruning are more severe when conducted during the spring. Late fall is the best time of year for root pruning.
- **Soil Texture and Compaction** – The existing soil conditions have impacted the current health. It is always helpful to identify limitations and mitigate when possible.
- **Root Depth** – Roots generally develop at a soil depth that allows for moisture and soil gas exchange. Roots tend to be shallow in clay and excessively moist soils and deeper in sandy, drier soils.
- **Prior Health of Trees**– Trees that are in poor health prior to being impacted by construction activities are less likely to survive.
- **Working inside of the designated RPZ** – Any work activities occurring inside of the designated RPZ are subject to special conditions. All excavation is by hand. Necessary root pruning is overseen and chronicled by project arborist to help in prescribing mitigation.
- **Grade Changes** – Procedures for grade cuts and elevated grades that encroach into the designated RPZ have been prescribed to reduce the short and long term health impacts. Both health mitigation and soil modifications procedures are described.
- **Pruning Needs** – A few of the trees would benefit from pruning to improve the structural safety. It is understood that the primary purpose for retaining the trees is for screening and excess pruning is not desirable.
- **Ongoing Care Needed** – All trees designated for retention will require some level of care during the construction phase. The level of care is partly determined by the amount of root loss. Under normal conditions, the designated RPZ would contain only about 25% of the total root system. Irrigation and possibly use of a water jet are the primary mitigation treatments in addition to the mulching recommended.

DESIGN

There are a number of treatments that can reduce the adverse impacts from the encroachment of walkways and roadways into the tree root zone. It is possible to remove existing soil from around roots and replace with a compaction resistant structural soil. Elevation for soil grades surrounding trees can be better tolerated when the area is first water jetted and clean-crushed drain rock is used along with a tensile fabric on top. Arborists can provide graphic details of any such treatments upon request.

PRE-CONSTRUCTION ACTIVITIES AND CONCERNS

These activities should be undertaken prior to initiation of construction activity. In addition to modifications to the project design to reduce tree impacts, all steps that improve the health of trees prior to construction will greatly improve the chance of survival.



Designate Tree Root Protection Zone (RPZ) –The tree protection zone designates an area surrounding a tree or grouping of trees that is to be fenced off from all access until designated by a certified arborist. The RPZ is commonly defined as one (1) foot radial distance for every one (1) inch in tree diameter (DBH). Example: A single stem tree measuring 30 inches in diameter, (measured at 54 inches or 4.5 feet above grade) would have a critical root zone with a radius of 30 feet. This is roughly equivalent to the area commonly referred to as the “drip zone.”

Arborist can modify the RPZ distance from the base of the tree based upon site conditions and the level of root presence. It should be understood that tree roots often extend out from the base to more than three times the distance defined by the critical root zone. An arborist should monitor all grading and trenching activity that is within twice the distance of the RPZ. The larger the protection zone that is provided, the greater the likelihood of long-term tree survival.

Tree Root Protection Zone Fencing – Tree protection fencing shall be 6’ tall chain link type, mounted to steel posts driven firmly two feet into the ground.

Signage on Tree Protection Fencing – Signs are to be attached to the fencing as follows: TREE PROTECTION ZONE, DO NOT ENTER

Root Protection and Root Pruning – Root protection measures must be in place prior to the beginning of construction activities. Necessary root pruning is best accomplished prior to the beginning of construction activities where excavation equipment will be used. After being exposed by hand or air excavation, roots are pruned under arborist supervision. Construction activities are then free to occur outside of the root pruning boundary.

Timing of Root Loss – Root loss that occurs in late fall is preferable to cutting tree roots in the spring. Pruning activities are best undertaken in mid to late summer or winter. Pruning both the canopy and roots at the same time should be avoided if possible.

Supplemental Irrigation - Arborist will designate supplemental irrigation based upon the level of root loss, soil conditions, tree health and time of year.

Mulching - Use of four to six inches of organic mulch (wood chips are best) on soil surface will reduce soil compaction and evaporative soil moisture loss. Recommended material is wood chips generated from tree trimming. Fresh redwood, incense cedar and walnut chips are not acceptable, nor is palm generated mulch.

Compost – Compost is often recommended for placement immediately under the mulch. Good quality compost provides nutrient value. Compost must be represented by a recent laboratory analysis to confirm quality.

Pruning – All pruning must comply with ANSI A300 Pruning Standards. Pruning must be minimized, particularly when root loss occurs. Pruning prior to construction should include: Necessary Clearance Pruning, Deadwood Removal and Safety Pruning.

TREE PROTECTION DURING CONSTRUCTION

The level of arborist monitoring of the project can be quite variable, depending upon the degree of encroachment into root systems and the early levels of contractor compliance with the tree protection guidelines.



Pre-Construction Meeting with all Construction Personnel - It is important that construction crew understands the tree protection requirements. **All personnel working on site should be provided an orientation to tree preservation measures and rules by the arborist assigned to monitor tree preservation.**

Observe Fenced RPZ – This area is off limits to all personnel, equipment, materials storage, or any other activities. Fencing may be relocated only under arborist supervision.

Soil Moisture Control - Water stress is detrimental to tree health, particularly during the spring. Supplemental irrigation is required whenever tree roots are uncovered or severed due to trenching or grading. Open trenches with exposed roots require minimum two layers of damp burlap or other acceptable covering at all times. An arborist will determine the amount of supplemental watering required based upon soil moisture investigation and weather conditions.

WORK ACTIVITIES OCCURING WITHIN THE DESIGNATED RPZ

Arborist Supervision – All activities occurring inside of the designated RPZ must be approved and an arborist must be present to supervise tree protection and root pruning activities.

Root Protection - Areas where roots cannot be fenced require protection from contaminants and compaction. The effects of foot traffic can be mitigated through the use of six (6) inches of wood chip mulch and ¾ inch plywood placed on top.

When equipment is to be used inside of the designated RPZ, soil must be covered with 12 inches of wood chips and two layers of ¾ inch plywood or one layer of 1 1/8 inch plywood or metal trench plates.

Trunk and Scaffold Protection – Whenever construction activity must occur inside the tree protection zone, the base of the tree and the first eight-feet of the trunk must be protected. Protection is generally provided by wrapping the trunk up to the first branch with 10 wraps of orange plastic construction fencing or use of straw waddles wrapped around the tree. Additional protection can be provided by either straw bales or use of vertical 2x4 boards strapped to the tree. Arborist may require any or all of the trunk protection measures depending upon the situation.

Grade Elevation Within the RPZ – The general procedure for elevation of the surface grade within the RPZ is as follows: Apply 2” of compost to the soil surface, water jet the area at 6” on center over the area to be covered. Apply 6 inches or more of clean crushed drain rock on top of the surface. Compact as deemed necessary from the top of the rock. Apply tensile fabric on top and place road base (aggregate base) on top of the fabric. Please view *Appendix 1* of this report for a graphic detail.

Grade Cuts – Grade cuts within the designated RPZ can be made only after proper root pruning has been completed. This entails first trenching along the limit of the grade cut and severing roots by hand. The tree protection fencing is then moved in to the root cut location and equipment can safely work outside the fencing.

Required Method of Trenching Within Critical Root Zone - Carefully hand excavation or tunneling shall be the accepted method for installing underground utilities. The Air Spade can also be used much more efficiently when a large amount of such trenching must be undertaken. Arborist is to supervise any such activity.



POST CONSTRUCTION MITIGATION

All valuable trees which have been impacted in any manner (root loss, soil moisture changes, or necessary pruning) will require mitigation to offset the adverse impact and maintain the level of vigor in the tree prior to being impacted. Trees that were not vigorous prior to construction will require extra care.

Monitoring Tree Health - Regular visual inspection of trees will aid in assessing where further mitigation is required. Tree decline should be recorded and referenced against pre-construction health assessment. Leaf and stem insects and fungal pathogens are a sign of poor tree health (low energy reserves).

Monitoring of Soil Moisture - It is important that significant changes in soil moisture levels within tree root zones be identified early, prior to visible evidence of tree decline. Moisture should be monitored by visual inspection using a soil probe or through the use of tensiometers placed at key locations. Supplemental irrigation is best provided during middle and late spring. In cases where trees have suffered root loss, supplemental irrigation will be required for a number of years in the area where roots were severed.

Mitigation of Soil Compaction - The level and depth of soil compaction must be assessed and mitigated as necessary. Mitigation of soil compaction in areas where roots are present must minimize root loss. Tools most suitable to mitigate soil compaction are the water jet or air spade.

Landscaping - All landscaping planning must take precautions when planting within the designated RPZ. All plant materials should be selected for compatibility with the favored moisture regime of the trees. With native oak trees, this is particularly critical. Irrigation must be designed to comply with the requirements of the tree species and soil conditions. Irrigation lines must minimize root loss and pass under roots when possible. Air Spade is recommended for excavation within the designated RPZ.

Continued Mulching - Mulch is extremely beneficial in creating a healthy root environment. A regular program of mulch application is recommended to help retain soil moisture, provide a source of nutrients, and help control weeds. The continued use of good quality compost as a mulch is beneficial as a source of nutrition.

Fertilization - Prior to fertilization, soil analysis and possibly leaf tissue analysis must be undertaken. Trees should be fertilized only when the nutritional limitations have been identified. Leaf tissue analysis is another excellent tool for this determination. Excessive nitrogen fertilization is known to draw sucking insects (aphid, scale, etc.) to the plants and provide nutrition to fungal pathogens in the soil.

Pest Management Program - Healthy trees do not generally have serious pest problems. Stressed trees are attractive hosts to pathogens, which can contribute to decline and eventual death. Pest management is prescribed when monitoring indicates a need and tree health is marginal.



End

Report Submitted By:

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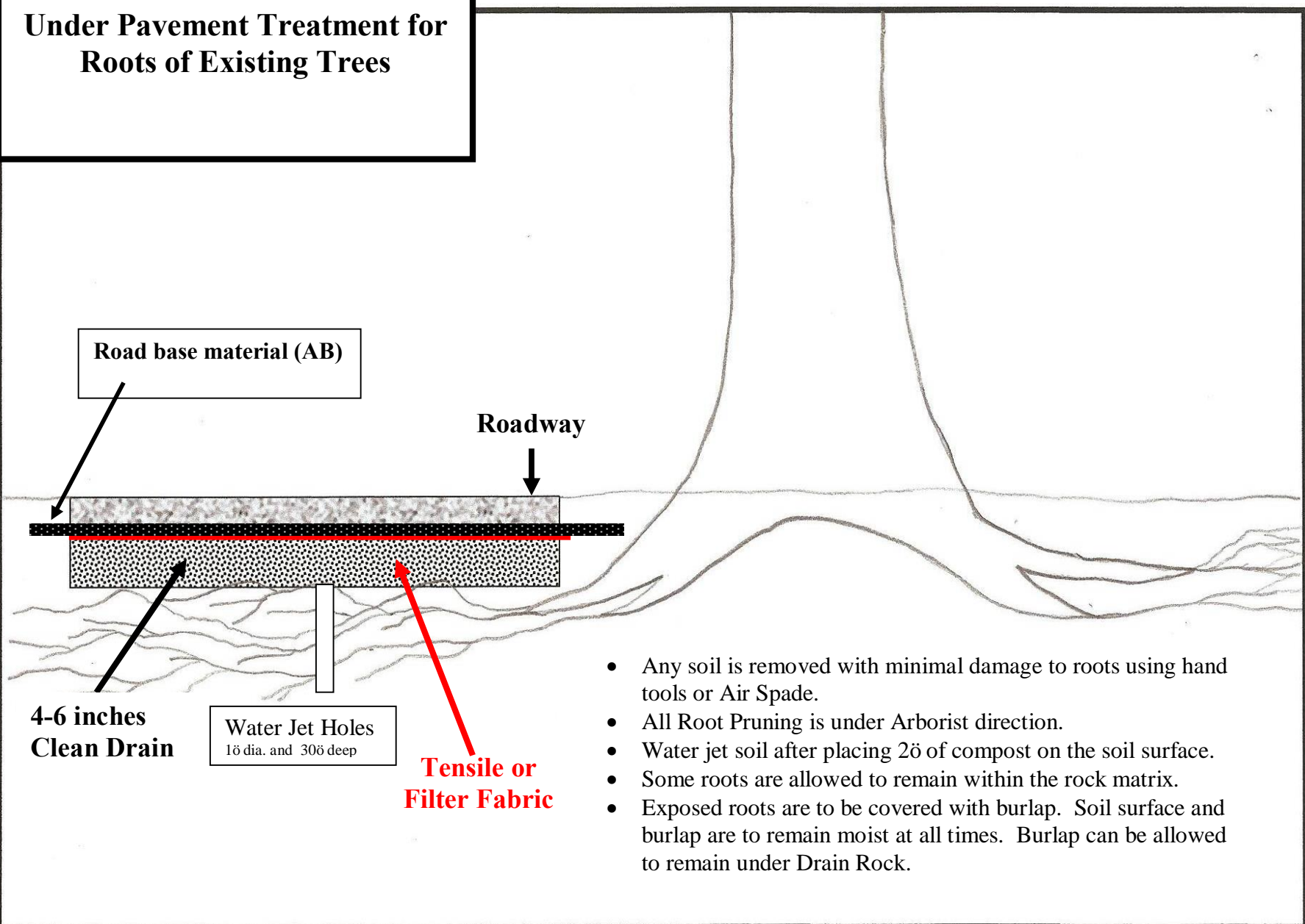
*Christopher Guillard
Landscape Architect
CMG landscape architecture*

Appendix Material

1. Under Pavement Treatment
2. Potential Tree Preservation Plan
3. Potential Tree Preservation Sections and Grading



**Under Pavement Treatment for
Roots of Existing Trees**



- Any soil is removed with minimal damage to roots using hand tools or Air Spade.
- All Root Pruning is under Arborist direction.
- Water jet soil after placing 20 of compost on the soil surface.
- Some roots are allowed to remain within the rock matrix.
- Exposed roots are to be covered with burlap. Soil surface and burlap are to remain moist at all times. Burlap can be allowed to remain under Drain Rock.



RESOLUTION NO.**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADOPTING FINDINGS REQUIRED BY THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, STATEMENT OF OVERRIDING CONSIDERATIONS, AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE PROPERTY LOCATED AT 312 AND 313 CONSTITUTION DRIVE**

WHEREAS, Facebook, Inc. ("Project Sponsor") moved its operations from the City of Palo Alto to 1 Hacker Way, previously 1601 Willow Road, ("East Campus"), which is located north of US 101 near the intersection of Bayfront Expressway and Willow Road, in the City of Menlo Park ("City"); and

WHEREAS, the Project Sponsor proposed to increase employee density on the East Campus and redevelop the site located across Bayfront Expressway from the East Campus at 312 and 313 Constitution Drive ("West Campus") (collectively, the "Project"); and

WHEREAS, a Notice of Preparation ("NOP") was released for the Project on April 21, 2011 for a 36-day public review period. A public scoping meeting was held on May 16, 2011 before the City's Planning Commission. Comments received by the City on the NOP and at the public scoping meeting were taken into account during preparation of the Draft Environmental Impact Report ("EIR"); and

WHEREAS, the Draft EIR was released on December 8, 2011 for a 54-day extended review period that ended on January 30, 2012. The public review period included one Planning Commission hearing on January 9, 2012, which was open to the public. Comment letters on the Draft EIR were received from 11 public agencies, 14 organizations, and 25 individuals. On April 23, 2012, the City published a Response to Comments Document. The Draft EIR and Response to Comments Document, as well as all Technical Appendices, constitute the Final EIR; and

WHEREAS, on May 29, 2012, the City approved a Revised and Restated Conditional Development Permit ("CDP") and the 1601 Willow Road Development Agreement ("East Campus Development Agreement") for the East Campus, and certified the Final EIR ("certified EIR") for the Project; and

WHEREAS, the Project Sponsor now proposes to expand its operations to the West Campus and develop the property at the West Campus to accommodate approximately 2,800 employees; and

WHEREAS, the Project Sponsor has re-designed the West Campus program analyzed in the certified EIR ("Previously Proposed Project") and intends to demolish existing structures at the West Campus and develop one office building over at-grade parking totaling a maximum of 433,656 square feet ("Revised Project"); and

WHEREAS, the California Environmental Quality Act (“CEQA”, Pub. Resources Code Section §21000 et seq.) and CEQA Guidelines (Cal. Code of Regulations, Title 14, §15000 et seq.) require analysis and a determination regarding the Revised Project’s environmental impacts and mitigation measures that, in the City’s view, justify approval of the Revised Project; and

WHEREAS, pursuant to CEQA Guidelines §15164, an Addendum to the certified EIR is appropriate where (1) the changes to the Previously Proposed Project would not cause new significant environmental effects or a substantial increase in the severity of previously identified significant effects, (2) no substantial changes have occurred with respect to surrounding circumstances that would cause new significant environmental effects or a substantial increase in the severity of previously identified significant effects and (3) no new information has become available that shows the changes would cause a new significant environmental effects or a substantial increase in the severity of previously identified significant effects significant new environmental impacts; and

WHEREAS, the City determined that an Addendum was appropriate for the Revised Project. An Addendum to the certified EIR was prepared and published in February 2013 to evaluate the Revised Project, specifically changes to the Project following certification of the Final EIR; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, after notice having been lawfully given, a public hearing was held before the City Planning Commission on February 25, 2013 whereat all persons interested therein might appear and be heard; and

WHEREAS, the City Planning Commission having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter, including the Addendum, voted affirmatively to recommend to the City Council to make the findings required by CEQA, adopt the Statement of Overriding Considerations and adopt the Mitigation Monitoring and Reporting Program; and

WHEREAS, after notice having been lawfully given, a public hearing was held before the City Council on March 19, 2013 whereat all persons interested therein might appear and be heard; and

WHEREAS, the City Council having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter, including the Addendum, voted affirmatively to make the findings required by CEQA, adopt the Statement of Overriding Considerations and adopt the Mitigation Monitoring and Reporting Program.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby makes the following findings with respect to the Revised Project’s significant

effects on the environment as identified in the certified EIR and further considered in the Addendum and hereby adopts the Mitigation Monitoring and Reporting Program (“MMRP”):

I. Record of Proceedings

For purposes of CEQA and these findings, the record of proceedings consists of the following documents and testimony:

(a) The NOP and all other public notices issued by the City in conjunction with the Project;

(b) All applications for approvals and development entitlements related to the Revised Project and submitted to the City;

(c) The Draft EIR for the Project (December 2011);

(d) All comments submitted by agencies or members of the public during the public comment period on the Draft EIR;

(e) The Final EIR for the Project, including comments received on the Draft EIR, responses to those comments, and the technical appendices (April 2012);

(f) The Addendum for the Revised Project at the West Campus (February 2013) and any comments received thereon;

(g) The MMRP for the Revised Project;

(h) All reports, studies, memoranda, maps, staff reports, or other planning documents related to the Project or Revised Project prepared by the City, or consultants to the City with respect to the City’s compliance with the requirements of CEQA and with respect to the City’s action on the Revised Project;

(i) All documents submitted to the City (including the Planning Commission and City Council) by other public agencies or members of the public in connection with the Project, up through the close of the public review period on January 30, 2012;

(j) Any minutes and/or verbatim transcripts of all information sessions, public meetings, and public hearings held by the City in connection with the Project and the Revised Project;

(k) All matters of common knowledge to the Planning Commission and City Council, including, but not limited to:

(i) The City’s General Plan and other applicable policies;

(ii) The City’s Zoning Ordinance and other applicable ordinances;

- (iii) Information regarding the City's fiscal status; and
- (iv) Applicable City policies and regulations;

(l) Any other materials required for the record of proceedings by Public Resources Code §21167.6(e).

The documents described above comprising the record of proceedings are located in the Community Development Department, City of Menlo Park, 701 Laurel Street, Menlo Park, California 94025. The custodian of these documents is the Community Development Director or his/her designee.

II. Findings for Significant Impacts Avoided or Mitigated to a Less-Than-Significant Level

The certified EIR for the Project concluded that there would be significant environmental impacts. The Addendum confirms that the Revised Project would neither cause new significant impacts nor a substantial increase in the severity of previously identified significant effects. No changes have occurred with respect to circumstances surrounding the Previously Proposed Project that would cause significant environmental impacts to which the Revised Project would contribute considerably. In addition, no new information has become available that shows that the Previously Proposed Project or the Revised Project would cause significant new environmental impacts. Consequently, the City finds that, by incorporating into the Revised Project all the mitigation measures outlined in the MMRP, the impacts discussed below are reduced to a less-than-significant level.

A. AESTHETICS

Impact AE-3: The Revised Project could create new sources of light or glare that could adversely affect day or nighttime views. Therefore, this impact would be potentially significant.

Mitigation Measure AE-3.1: Design Lighting at the West Campus to Meet Minimum Safety and Security Standards. Concurrent with the building permit submittal, the Project Sponsor shall incorporate lighting design specifications to meet minimum safety and security standards. The comprehensive site lighting plans shall be subject to review and approval by the Planning Division prior to building permit issuance of the first building on that site. The following measures shall be included in all lighting plans:

- Luminaries shall be designed with cutoff-type fixtures or features that cast low-angle illumination to minimize incidental spillover of light onto adjacent private properties. Fixtures that shine light upward or horizontally shall not spill any light onto adjacent private properties.
- Luminaries shall provide accurate color rendering and natural light qualities. Low-pressure sodium and high-pressure sodium fixtures that are not color-corrected shall not be used, except as part of an approved sign or landscape plan.

- Luminary mountings shall be downcast and pole heights minimized to reduce potential for back scatter into the nighttime sky and incidental spillover light onto adjacent properties and undeveloped open space. Light poles shall be no higher than 20 feet. Luminary mountings shall be treated with non-glare finishes.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that the lighting designs are feasible and would reduce potential light spillage impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to light spillage would not be significant.

Mitigation Measure AE-3.2: Treat Reflective Surfaces at the West Campus. The Project Sponsor shall ensure application of low-emissivity coating on exterior glass surfaces of the proposed structures. The low-emissivity coating shall reduce visible light reflection of the visible light that strikes the glass exterior and prevent interior light from being emitted brightly through the glass.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that the anti-reflection designs are feasible and would reduce light reflection and glare impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to light reflection and glare would not be significant.

B. AIR QUALITY

Impact AQ-3: Construction activities at the West Campus would not generate emissions of ROG, NO_x, PM₁₀ and PM_{2.5} that would exceed Bay Area Air Quality Management District's (BAAQMD) significance thresholds.

Mitigation Measure AQ-3.1: Implement Recommended Dust Control Measures. BAAQMD does not have mass emission thresholds for fugitive PM, but rather requires implementation of Best Management Practices (BMPs) as mitigation measures for all proposed projects. In order to ensure that these are implemented to minimize possible fugitive PM emissions, the BMPs are designated as mitigation measures.

- a. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
- b. All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
- c. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
- d. All vehicle speeds on unpaved roads shall be limited to 15 mph.
- e. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
- f. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
- g. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator.
- h. Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the environmental effect as identified in the certified EIR. The City finds that the dust control measures are feasible and would ensure that air emissions during construction remain at a less-than-significant level.

Remaining Impacts: Any remaining impacts related to construction air emissions would not be significant.

Impact AQ-5: The Revised Project could expose sensitive receptors to substantial TACs.

Mitigation Measure AQ-5.1: Reduce Fleet-Wide Average Diesel Particulate Matter (DPM) Emissions. The Revised Project shall develop a plan that is approved by the City prior to issuance of building permits demonstrating that the off-road equipment (more than 50 horsepower) to be used for the West Campus construction (i.e., owned, leased, and subcontractor vehicles) would achieve a Project wide fleet-average 35 percent Particulate Matter reduction compared to the most recent California Air Resources Board (CARB) fleet average. Acceptable options for reducing emissions include the use of late model engines, low-emission diesel products, alternative fuels,

engine retrofit technology, after-treatment products, add-on devices such as particulate filters, and/or other options as such become available.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that the options for reducing construction DPM emissions are feasible and would reduce DPM emissions during construction to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to DPM emissions during construction would not be significant.

C. NOISE

Impact NO-1: Implementation of the Revised Project could result in an increase in the exposure of people to noise in excess of the standards established in the General Plan or Municipal Code.

Mitigation Measure NO-1.1: Install Sound Enclosures Around Emergency Generators on the West Campus. The Project Sponsor shall reduce the sound level from the operating generators to a maximum sound level of 88 dBA at 23 feet (7 meters) from the enclosure. Measures that could accomplish this standard include, but are not limited to, installing sound enclosures around all emergency generators, or purchasing equipment that meets this standard.

Mitigation Measure NO-1.2: Limit Generator Testing to Daytime Hours on the West Campus. The Project Sponsor shall limit generator testing to between the hours of 8:00 a.m. and 6:00 p.m.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigations: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that installing sound enclosures around emergency generators and limiting testing hours are feasible and would reduce generator noise to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to generator noise would not be significant.

Impact NO-4: Construction of the Revised Project would generate a short-term substantial increase in noise levels that would exceed ambient noise levels in the area.

Mitigation Measure NO-4.1: Implement a Construction Noise Plan to Reduce Construction Noise on the West Campus. The Project Sponsor shall submit a Construction Noise Plan for review and approval by the Planning and Building Divisions prior to the issuance of the demolition permit. The Project Sponsor shall implement the following measures during demolition and construction of the Project:

- To the extent feasible, the noisiest construction activities shall be scheduled during times that would have the least impact on nearby residential land uses. This would include restricting typical demolition and exterior construction activities to the hours of 8:00 a.m. to 6:00 p.m. Monday to Friday.

- Equipment and trucks used for Project construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures and acoustically attenuating shields or shrouds) wherever feasible.

- Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for Project construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures shall be used, such as drills rather than impact equipment, whenever feasible.

- Prior to any pile-driving activities, notification shall be sent to all surrounding property owners and occupants within 300 feet of the Project site informing them of the estimated start date and duration.

- Construction contractors, to the maximum extent feasible, shall be required to use “quiet” gasoline-powered compressors or other electric-powered compressors, and use electric rather than gasoline or diesel powered forklifts for small lifting.

- Stationary noise sources, such as temporary generators, shall be located as far from nearby receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or other measures to the extent feasible.

- Install temporary plywood noise barriers eight feet in height around the construction site to minimize construction noise to 90 dBA as measured at the applicable property lines of the adjacent uses, unless an acoustical engineer submits documentation that confirms that the barriers are not necessary to achieve the attenuation levels.

- Trucks shall be prohibited from idling along streets serving the construction site.

- Implement “quiet” pile driving technology (e.g., vibratory pile driving or pre-drilled pile holes), where feasible, in consideration of geotechnical and structural requirements and conditions.

- Monitor the effectiveness of noise attenuation measures by taking noise measurements during pile driving activities.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that implementing a Construction Noise Plan is feasible and would reduce construction noise impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to construction noise would not be significant.

D. CULTURAL RESOURCES

Impact CR-2: The Revised Project has the potential to encounter and damage or destroy previously unknown subsurface archaeological resources during construction.

Mitigation Measure CR-2.1: Perform Construction Monitoring, Evaluate Uncovered Archaeological Features, and Mitigate Potential Disturbance for Identified Significant Resources at the West Campus. Prior to demolition, excavation, grading, or other construction-related activities on the West Campus, the applicant shall hire a qualified professional archaeologist (i.e., one who meets the Secretary of the Interior's professional qualifications for archaeology or one under the supervision of such a professional) to monitor, to the extent determined necessary by the archaeologist, Project-related earth-disturbing activities (e.g. grading, excavation, trenching). In the event that any prehistoric or historic-period subsurface archaeological features or deposits, including locally darkened soil ("midden"), that could conceal cultural deposits, animal bone, obsidian, and/or mortar are discovered during demolition/ construction-related earth-moving activities, all ground-disturbing activity within 100 feet of the discovery shall be halted immediately, and the Planning and Building Divisions shall be notified within 24 hours. City staff shall consult with the Project archeologist to assess the significance of the find. Impacts on any significant resources shall be mitigated to a less-than-significant level through data recovery or other methods determined adequate by the City and that are consistent with the Secretary of the Interior's Standards for Archaeological Documentation. If Native American archaeological, ethnographic, or spiritual resources are discovered, all identification and treatment of the resources shall be conducted by a qualified archaeologist and Native American representatives who are approved by the local Native American community as scholars of the cultural traditions. In the event that no such Native American is available, persons who represent tribal governments and/or organizations in the locale in which resources could be affected shall be consulted. When historic archaeological sites or historic architectural features are involved, all identification and treatment is to be carried out by historical archaeologists or architectural historians who meet the Secretary of the Interior's professional qualifications for archaeology and/or architectural history.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that monitoring, evaluation, and mitigation of archaeological features during construction is feasible and would reduce impacts to archaeological features to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to archeological features would not be significant.

Impact CR-3: The Revised Project has the potential to directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.

Mitigation Measure CR-3.1: Conduct Protocol and Procedures for Encountering Paleontological Resources at the West Campus. Prior to the start of any subsurface excavations that would extend beyond previously disturbed soils, all construction forepersons and field supervisors shall receive training by a qualified professional paleontologist, as defined by the Society of Vertebrate Paleontology (SVP), who is experienced in teaching non-specialists, to ensure they can recognize fossil materials and will follow proper notification procedures in the event any are uncovered during construction. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who will evaluate its significance.

If a fossil is determined to be significant and avoidance is not feasible, the paleontologist will develop and implement an excavation and salvage plan in accordance with SVP standards. Construction work in these areas shall be halted or diverted to allow recovery of fossil remains in a timely manner. Fossil remains collected during the monitoring and salvage portion of the mitigation program shall be cleaned, repaired, sorted, and cataloged. Prepared fossils, along with copies of all pertinent field notes, photos, and maps, shall then be deposited in a scientific institution with paleontological collections. A final Paleontological Mitigation Plan Report shall be prepared that outlines the results of the mitigation program. The City shall be responsible for ensuring that monitor's recommendations regarding treatment and reporting are implemented.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that the protocol and procedures for encountering paleontological resources is feasible and would reduce impacts to paleontological features to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to paleontological features would not be significant.

Impact CR-4: The Revised Project has the potential to encounter or discover human remains during excavation or construction in the Project area.

Mitigation Measure CR-4.1: Comply with State Regulations Regarding the Discovery of Human Remains at the West Campus. If human remains are discovered during any construction activities, all ground-disturbing activity within 50 feet of the remains shall be halted immediately, and the County Coroner shall be notified immediately, according to Section 5097.98 of the State Public Resources Code and Section 7050.5 of California's Health and Safety Code. Additionally, the Building Division shall be notified. If the remains are determined by the County Coroner to be Native American, the Native American Heritage Commission (NAHC) shall be notified within 24 hours, and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. The Project Sponsor shall also retain a professional archaeologist with Native American burial experience to conduct a field investigation of the specific site and consult with the Most Likely Descendant, if any, identified by the NAHC. As necessary, the archaeologist may provide professional assistance to the Most Likely Descendant, including the excavation and removal of the human remains. The Planning Division shall be responsible for approval of recommended mitigation as it deems appropriate, taking account of the provisions of state law, as set forth in CEQA Guidelines Section 15064.5(e) and Public Resources Code Section 5097.98. The applicant shall implement approved mitigation, to be verified by the Planning Division, before the resumption of ground-disturbing activities within 50 feet of where the remains were discovered.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that the State regulations for discovery of human remains during construction are feasible and would reduce impacts to human remains to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to human remains would not be significant.

Impact C-CR-2: Construction activities on the West Campus and other cumulative development could result in impacts to archaeological resources.

Mitigation Measure CR-4.1: Mitigation Measures CR-2.1, CR-3.1, and CR-4.1 prescribe discovery procedures for any previously unknown archaeological, paleontological resources, or human remains encountered during Project construction. The discovery procedures are consistent with professional standards and, as they pertain to discovered human remains, are compliant with State law.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds compliance with these mitigation measures would reduce the Project's contribution to the cumulative impact to less than cumulatively considerable, and reduce the potentially significant cumulative impacts associated with the loss of archeological, paleontological resources, and the disturbance of human remains to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to cumulative archaeological resource impacts would not be significant.

E. BIOLOGICAL RESOURCES

Impact BR-1: The Revised Project could have a potentially significant impact, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service.

Mitigation Measure BR-1.1: Identify and protect roosting and breeding bats on the West Campus and provide alternative roosting habitat. The Project Sponsor shall implement the following measures to protect roosting and breeding bats found in a tree or structure to be removed with implementation of the Revised Project:

1. Prior to tree removal or demolition activities on the West Campus site, the Project Sponsor shall retain a qualified biologist to conduct a focused survey for bats and potential roosting sites within buildings to be demolished or trees to be removed. The surveys can be conducted by visual identification and can assume presence of hoary bats or the bats can be identified to a species-level with the use of a bat echolocation detector such as an "Anabat" unit. If no roosting sites or bats are found, a letter report confirming absence shall be sent to the California Department of Fish and Game and no further mitigation is required. If roosting sites or hoary bats are found, then the following monitoring, and exclusion, and habitat replacement measures shall be implemented. The letter or surveys and supplemental documents shall be provided to the City prior to demolition permit issuance.

- a. If bats are found roosting outside of nursery season (May 1st through October 1st), then they shall be evicted as described under (b) below. If bats are found roosting during the nursery season, then they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or monitoring the roost after the adults leave for the night to listen for bat pups. If the roost is determined to not be a maternal roost, then the bats shall be evicted as described under (b). Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. A 250-foot (or as determined in consultation with the Department of Fish and Game) buffer zone shall be established around the roosting site within which no construction or tree removal shall occur.

- b. Eviction of bats shall be conducted using bat exclusion techniques, developed by Bat Conservation International (BCI) and in consultation with the

Department of Fish and Game that allow the bats to exit the roosting site but prevent re-entry to the site. This would include, but not be limited to, the installation of one way exclusion devices. The devices shall remain in place for seven days and then the exclusion points and any other potential entrances shall be sealed. This work shall be completed by a BCI recommended exclusion professional. The exclusion of bats shall be timed and carried concurrently with any scheduled bird exclusion activities.

c. The loss of each roost (if any) will be replaced in consultation with the Department of Fish and Game and may include construction and installation of BCI-approved bat boxes suitable to the bat species and colony size excluded from the original roosting site. Roost replacement will be implemented before bats are excluded from the original roost sites. Once the replacement roosts are constructed and it is confirmed that bats are not present in the original roost site, the structures may be removed or sealed.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that the identification and protection of roosting and breeding bats is feasible and would reduce impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to roosting and breeding bats would not be significant.

Mitigation Measure BR-1.2: Conduct preconstruction surveys for burrowing owls. No more than 30 days prior to the commencement of ground disturbing activities in the area of potentially suitable burrowing owl habitat on the West Campus, a preconstruction burrowing owl survey in compliance with California Burrowing Owl Consortium protocols shall be conducted to ensure that no owls have moved onto the West Campus. If owls are detected during the survey, additional measures are required. These measures include the following: 1) occupied burrows should not be disturbed during the burrowing owl breeding season, defined as February 1 through August 31, unless a qualified biologist approved by CDFG verifies through non-invasive methods that either the birds have not begun egg-laying and incubation, or that juveniles from the occupied burrows are foraging independently and are capable of independent survival; 2) owls on the site are passively relocated.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that preconstruction surveys are feasible and would reduce impacts to burrowing owls to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to burrowing owls would not be significant.

Impact BR-2: The Revised Project would result in potentially significant indirect effects on special-status bird and mammal species inhabiting the adjacent salt and brackish water marshes due to increased raptor predation.

Mitigation Measure BR-2.1: Landscaping Restrictions and Installation of Bird Perching Deterrents on all New Buildings and Other Elevated Structures on the West Campus. The Project Sponsor shall implement the following measures to reduce impacts to special-status marsh species:

1. For all new buildings to be constructed on the West Campus, the Project Sponsor shall install bird deterrents along suitable perching sites that would allow raptors or other predatory birds a vantage point from which to prey on western snowy plover, salt marsh harvest mouse, or other special-status species potentially inhabiting the adjacent salt marshes. Such deterrents may include one or more of the following deterrent devices as appropriate for the individual situation: bird spikes, bird netting, electric shock track, sound deterrents, or other devices approved by CDFG and/or USFWS.

2. Trees used for landscaping on the West Campus shall consist of species that generally do not reach heights of greater than 30 feet or shall be spaced at appropriate distances to reduce potential lines of sight and limit the distance perching birds could see into the adjacent salt marshes to the north. The landscaping trees may include native or non-invasive ornamental species. Species with broad canopies would be preferred, as tall narrow canopies (e.g., palms or conifers) generally provide better hunting perches for raptors.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that landscaping restrictions and perching deterrents are feasible and would reduce impacts to special-status bird and mammal species to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to special-status bird and mammal species would not be significant.

Impact BR-4: The removal of trees, shrubs, or woody vegetation with implementation of the Revised Project would have a potentially significant impact on the movement of native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites. In addition, the Revised Project's building and lighting at the West Campus would have the potential to injure or cause death to birds from collision and other factors.

Mitigation Measure BR-4.1: Identify and Protect Nesting Migratory Birds at the West Campus. The Project Sponsor shall implement the following measures to reduce impacts to nesting migratory birds:

a. To facilitate compliance with State and federal law (Fish and Game Code and the Migratory Bird Treaty Act (MBTA) and prevent impacts to nesting birds, the Project Sponsor shall avoid the removal of trees, shrubs, or weedy vegetation February 1 through August 31 during the bird nesting period. If no vegetation or tree removal is proposed during the nesting period, no surveys are required. If it is not feasible to avoid the nesting period, a survey for nesting birds shall be conducted by a qualified wildlife biologist no earlier than seven days prior to the removal of trees, shrubs, weedy vegetation, buildings, or other construction activity.

b. Survey results shall be valid for the tree removals for 21 days following the survey. If the trees are not removed within the 21-day period, then a new survey shall be conducted. The area surveyed shall include all construction areas as well as areas within 150 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist.

In the event that an active nest for a protected species of bird is discovered in the areas to be cleared, or in other habitats within 150 feet of construction boundaries, clearing and construction shall be postponed for at least two weeks or until the biologist has determined that the young have fledged (left the nest), the nest is vacated, and there is no evidence of second nesting attempts.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that the pre-construction surveys are feasible and would reduce potential impacts to nesting birds to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to nesting birds would not be significant.

Mitigation Measure BR-4.2: Implement Bird-Safe Design Standards into West Campus Building and Lighting Design. All new buildings and lighting features constructed or installed at the West Campus shall be implemented to at least a level of "Select Bird-Safe Building" standards as defined in the City of San Francisco Planning Department's "Standards for Bird-Safe Buildings," adopted July 14, 2011. These design features shall include minimization of bird hazards as defined in the standards. With respect to lighting, the West Campus shall:

- Be designed to minimize light pollution including light trespass, over-illumination, glare, light clutter, and skyglow while using bird-friendly lighting colors when possible.
- Avoid uplighting, light spillage, event search lights, and use green and blue lights when possible.

- Turn off unneeded interior and exterior lighting from dusk to dawn during migrations: February 15 through May 31 and August 15 through November 30.
- Include window coverings on rooms where interior lighting is used at night that adequately block light transmission and motion sensors or controls to extinguish lights in unoccupied spaces.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that the bird-safe design standards are feasible and would reduce potential bird hazards to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to birds would not be significant.

F. HYDROLOGY AND WATER QUALITY

Impact HY-2: The Revised Project would place structures in a Special Flood Hazard Area (SFHA).

Mitigation Measure HY-2.1: Prepare and Obtain a Conditional Letter of Map Revision – Fill (CLOMR-F) from Federal Emergency Management Agency (FEMA) Prior to Issuance of a Grading or Building Permit. Concurrent with the first building permit submittal for the West Campus, the Project Sponsor shall submit a FEMA CLOMR-F application to the Public Works Department for review and approval. In accordance with the National Flood Insurance Program (NFIP) (Code of Federal Regulations (CFR) 44 Part 65), Section 65.6 (Revision of base flood elevation determinations), the Project Sponsor shall prepare supporting data, including relevant hydraulic and hydrologic analyses, delineation of floodplain boundaries and all other information required by FEMA to review and evaluate the request for a CLOMR-F. The analyses shall clearly show revised and new floodplain boundaries, for the Project area and adjacent areas not affected by the revision, taking into account San Francisco Bay coastal floodplain maps being prepared by the U.S. Army Corps of Engineers for the San Francisquito Creek JPA-sponsored project, if such maps have been adopted by FEMA. Upon receiving City approval, the Project Sponsor shall submit the CLOMR-F application to FEMA. Prior to issuance of any grading or building permit on each site, the applicant shall obtain a CLOMR-F from FEMA. The applicant shall submit an elevation certificate prior to final signoff of the foundation inspection for each structure.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that preparing and

obtaining a CLOMR-F is feasible and would reduce potential flood risk impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to flood risks would not be significant.

Impact HY-4: The Project at the West Campus could expose people to flooding from climate change-induced sea level rise.

Mitigation Measure HY-4.1: Floodproofing of West Campus Underground Infrastructure. Prior to, or at a minimum concurrent with, the issuance of the first construction activity permit at the West Campus and in connection with applicable FEMA requirements, the City shall ensure that the Revised Project incorporates design features to flood-proof below-ground infrastructure, including storm drains, sewers, equipment facilities, to withstand hydrostatic forces and buoyancy from sea level rise changes in groundwater levels.

Mitigation Measure HY-4.2: Provide Adequate Storm Flow Conveyance Capacity For Sea Level Rise Conditions at the West Campus. Prior to, or at a minimum concurrent with, the issuance of the first construction activity permit at the West Campus, the City shall ensure that the Revised Project incorporates design features to ensure that the storm drain system conveyance capacity is not constricted by sea level rise at the outlets, including the Caltrans pump station.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigations: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that flooding proofing underground infrastructure and providing storm flow conveyance capacity is feasible and would reduce potential sea level rise impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to sea level rise would not be significant.

G. HAZARDS AND HAZARDOUS MATERIALS

Impact HM-2: The Revised Project could expose people to residual contaminants in soil and/or groundwater.

Mitigation Measure HM-2.1: Update Operation, Maintenance, and Monitoring Plan (OMMP) for the West Campus. Prior to commencement of site grading on the West Campus, the Project Sponsor shall retain a qualified professional to update the OMMP to incorporate site development considerations for the West Campus to ensure

continued implementation of Article IV, Section 4.2 (Soil Management) of the Land Use Covenant (LUC).

The updated OMMP shall include, at a minimum, requirements for soil sampling and laboratory analysis, action levels triggering the need for special handling, as well as stormwater runoff controls (Mitigation Measure HM-2.7), on-site soil movement associated with excavation and fill placement, off-site soil transport (if necessary), and contingency measures in the event activities encounter soil that is odorous, stained, visibly discolored, or is questionable. The Project Sponsor shall submit the updated OMMP to the Department of Toxic Substance Control (DTSC) as required under Article IV Section 4.2 of the LUC, and in accordance with the applicable terms of the Voluntary Cleanup Agreement (VCA). The updated OMMP shall ensure that any human health risk evaluation or assessment used to support approval of soil or groundwater disturbance evaluates the proposed duration and extent of the Project activities, considers the potential for groundwater dermal exposure, and is based on the most current applicable risk evaluation methodologies. The updated OMMP shall also identify how deep foundation design and installation will be managed to reduce the potential for downward migration of contaminants in soil or groundwater.

The City shall not authorize any activity on the West Campus that has the potential to disturb soil until approved by DTSC and all necessary permits and/or approvals have been obtained, including but not limited to any permits for wells and/or borings from San Mateo County and BAAQMD.

Mitigation Measure HM-2.2: Health and Safety Plan for the West Campus. Prior to commencement of site grading on the West Campus, the Project Sponsor shall retain a qualified professional to prepare an updated Health and Safety Plan to implement Article IV, Section 4.2 (Soil Management) of the LUC. The Project Sponsor shall submit the Health and Safety Plan to DTSC as required under Article IV Section 4.2 of the LUC, and in accordance with the applicable terms of the VCA. The City shall not authorize any activity on the West Campus that has the potential to disturb soil until DTSC has approved the updated Health and Safety Plan and all necessary permits have been obtained.

Mitigation Measure HM-2.3: West Campus Construction Activity Dust Control Plan (DCP) and Asbestos Dust Management Plan (ADMP). Prior to commencement of site grading on the West Campus, the Project Sponsor shall retain a qualified professional to prepare a DCP/ADMP. The DCP shall incorporate the applicable BAAQMD pertaining to fugitive dust control. The ADMP shall be submitted to and approved by the BAAQMD prior to the beginning of construction, and the Project Sponsor must ensure the implementation of all specified dust control measures throughout the construction of the Project. The ADMP shall require compliance with specific control measures to the extent deemed necessary by the BAAQMD to meet its standard.

Mitigation Measure HM-2.4: West Campus Construction Activity Groundwater Management Plan. Prior to site grading on the West Campus, the Project Sponsor shall retain a qualified professional to prepare a Groundwater Management Plan that describes how any groundwater extracted to accommodate site preparation will be tested and disposed of in accordance with existing regulations. The City shall not

authorize any activity on the West Campus that would involve dewatering until DTSC has approved the Groundwater Management Plan and all necessary permits or approvals have been obtained, particularly if groundwater requires additional treatment and/or disposal at a permitted facility.

Mitigation Measure HM-2.5: Soil Vapor Intrusion Barrier at the West Campus. Prior to the issuance of the first building permit for the first occupied structure at the West Campus, the Project Sponsor shall retain a qualified professional to design a vapor intrusion barrier system consistent with the recommendations set forth in “Phase I Environmental Site Assessment, 312-314 Constitution Drive, Menlo Park, California” dated November 19, 2010 prepared by Cornerstone Earth Group. The City shall not issue a building permit until the vapor intrusion barrier design has been reviewed and approved by DTSC and the City Engineer has reviewed the final design plans to ensure the necessary features have been incorporated into the Revised Project. Such measures could include, but would not be limited to, gas-impermeable membranes.

Appropriate measures shall also be incorporated into Revised Project design to reduce vapor and groundwater migration through trench backfill and utility conduits. Such measures could include placement of low-permeability backfill plugs.

Mitigation Measure HM-2.6: Corrosion-Resistant Utility Pipeline Design for the West Campus. Prior to, or at a minimum concurrent with the issuance of utility improvement plan permits, the Project Sponsor shall retain a qualified licensed professional engineer to determine protective measures for utilities. The City shall not issue any permit for utility construction until the City Engineer has reviewed the final design plans to ensure the necessary corrosion-resistant features have been incorporated into the Revised Project.

Mitigation Measure HM-2.7: Stormwater Quality BMPs. The Project Sponsor shall ensure on-site detention/retention basins are lined to prevent groundwater interaction with stormwater and to prevent downward migration of stormwater into groundwater.

Mitigation Measure HM-2.8: Construction Stormwater Pollution Prevention Plan for the West Campus. The City shall not issue any permit for grading until a Stormwater Pollution Prevention Plan (SWPPP) has been completed to the satisfaction of the City and necessary construction BMPs have been incorporated into the Revised Project.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that measures to reduce soil and groundwater contamination are feasible and would reduce the impacts to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to soil and groundwater contamination would not be significant.

Impact HM-3: Soil movement during construction of the Revised Project at the West Campus could expose ecological receptors to residual contaminants in soil and/or groundwater if measures are not implemented to control contaminants.

Mitigation Measure: See Mitigation Measure HM-2.1, above.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that implementation of an OMMP would reduce potential construction impacts to ecosystems related to handling of soil with residual contaminants and groundwater to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to ecological receptors due to residual contamination would not be significant.

Impact HM-5: Maintenance activities at the West Campus could have a potentially significant potential to disturb soil containing residual contaminants.

Mitigation Measure HM-5.1: Record Additional Restrictions. The Project Sponsor shall ensure that the updated OMMP (Mitigation Measure HM-2.1) includes provisions for disclosing information in DTSC-approved remediation reports along with any other requirements pertaining to post-construction, long-term operation and maintenance of subsurface utilities or maintenance or repair of foundations. Any such documentation shall be recorded in the Office of the County Recorder and a copy shall be provided to the City.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Revised Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that recording additional restrictions is feasible and would reduce the impacts related to unexpected soil containing residual contaminants to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to unexpected soil containing residual contaminants would not be significant.

H. UTILITIES

Impact UT-3: The existing sanitary sewer system serving the Project site would not have sufficient capacity to accommodate the Project.

Mitigation Measure UT-3.1¹: Sanitary Sewer System Improvements. The Project Sponsor shall upsize 114 linear feet of the existing 12-inch diameter pipeline that runs north along Hamilton Avenue, beginning at the Hamilton Avenue/Willow Road intersection, to a 15-inch diameter pipe. To ensure that this work is completed, the Project Sponsor shall enter into an agreement with the City concurrently with granting of land use entitlements for the East Campus and post a bond equal to 200 percent of the estimated cost of the work. In addition, the Project Sponsor shall purchase a third wastewater pump to be placed into reserve in case of pump failure at Hamilton Henderson Pump Station (HHPS). To ensure this work is completed, the Project Sponsor shall enter into an agreement with the City concurrently with granting of land use entitlements for the East Campus and post a bond equal to 120 percent of the cost of the wastewater pump.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the certified EIR. The City finds that the sanitary sewer system improvements are feasible mitigations that will reduce impacts related to insufficient wastewater conveyance capacity to a less-than-significant level.

Remaining Impacts: Any remaining impacts related to sewer system capacity would not be significant.

III. Findings and Recommendations Regarding Significant and Unavoidable Impacts

The certified EIR for the Project concluded that there would be significant environmental impacts. The City finds that by incorporating into the Revised Project all the mitigation measures outlined in the MMRP, the impacts are reduced. However, even after mitigation, some impacts are significant and unavoidable. The City finds that there is no additional feasible mitigation that could be imposed beyond what is detailed herein. For the reasons set forth in the Statement of Overriding Considerations below, the City finds that there are economic, legal, social, technological or other benefits of the Revised Project that override the significant and unavoidable impacts.

A. TRANSPORTATION

Impact TR-6: Increases in traffic associated with the Revised Project under the Near Term 2018 East Campus and West Campus Condition would result in increased delays at several intersections during peak hours causing a potentially significant impact to the operation of the several study intersections.

¹ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required pipeline upsizing and has purchased the reserve pump.

Mitigation Measure TR-6.1: West Campus Vehicle Trip Cap. West Campus 1,100 vehicle trip cap for both the AM Peak Period and PM Peak Period.

This mitigation measure would reduce AM and PM peak trips, and thus reduce trips at impacted intersections, and involves the imposition of a trip cap on the West Campus comparable to the Trip Cap that is part of the Project for the East Campus.

The 1,100 peak hour vehicle trip cap has been calculated in a similar fashion to the East Campus trip cap and is based on a comparative ratio between the East and West Campus employee totals in the following manner:

$$2,800 \text{ West Campus Employees} \times (2,600 \text{ East Campus Peak Period Trip Cap} / 6,600 \text{ East Campus Employees}) = 1,100 \text{ West Campus Peak Period Trip Cap}$$

The West Campus vehicle trip cap mitigation shall generally comply with West Campus Trip Cap Monitoring and Enforcement Policy, which is included in the Conditional Development Permit. A peak period trip cap of 1,100 trips for the West Campus does not, in and of itself, fully mitigate the impacts in either the AM peak or PM peak for any of the impacted intersections. Because the proposed mitigation would not fully mitigate the impact, it remains significant and unavoidable unless the impact is fully mitigated through a specific intersection improvement as outlined below.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Mitigation Measure TR-6.1 involves a Vehicle Trip Cap to mitigate or reduce the impacts of the Revised Project under the Near Term 2018 East Campus and West Campus Condition. However, intersection impacts would remain significant and unavoidable since the impact cannot be fully mitigated unless specific intersection improvements are implemented.

Remaining Impacts: The Project-specific impacts to congestion at the affected intersections would remain significant and unavoidable.

Mitigation Measure TR-6.2: Intersection Improvements. The operations at several of the intersections could be improved by modifying the intersection geometry to provide additional capacity. Some of these modifications may be made by restriping the existing roadway; however, others may require additional right-of-way to add travel lanes. These mitigation measures are not dependent on the West Campus vehicle trip cap. See Appendix 3.5-I of the certified EIR for intersection conceptual layout plans for mitigation measures.

a. *Marsh Road and Bayfront Expressway²*

The proposed mitigation measures for the intersection of Marsh Road and Bayfront Expressway include restriping the westbound approach from a shared left-through-right lane to a shared left-through lane and a shared through-right lane.

Prior to the approval of the East Campus Development Agreement, the Project Sponsor shall prepare a construction cost estimate for the proposed mitigation measure at the intersection of Marsh Road and Bayfront Expressway for review and approval of the Public Works Director. Within 90 days of the effective date of the Development Agreement for the East Campus, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the East Campus Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, transit improvements, and TDM programs, throughout the City, with priority given to those portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. Although the proposed mitigations would fully mitigate the impact, the impact remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.

² Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

b. Marsh Road and US 101 NB Ramps³

The proposed mitigation measures for the intersection of Marsh Road and US 101 Northbound off-ramp include widening the northbound off-ramp on the western side of the approach and adding an additional left-turn lane along with adding a second right-turn lane by restriping one of the existing left-turn lanes. This improvement will require relocation of existing traffic signal poles, utility relocation and reconstruction of the curb ramp on the southwest corner of the intersection.

Prior to the approval of the East Campus Development Agreement, the Project Sponsor shall prepare a construction cost estimate for the proposed mitigation measures at the intersection of Marsh Road and US 101 Northbound off-ramp for review and approval of the Public Works Director. Within 90 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the East Campus Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, transit improvements, and TDM programs, throughout the City, with priority given to those portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. Although the proposed mitigation would fully mitigate the impact, the impact remains significant and unavoidable because the intersection is

³ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.

c. *Marsh Road and Middlefield Road*

Memorandum of Agreement by and Between the Town of Atherton and Facebook, Inc. Regarding the Menlo Park Facebook Campus Project. Project Sponsor shall comply with the Memorandum of Agreement by and Between the Town of Atherton and Facebook, Inc. Regarding the Menlo Park Facebook Campus Project dated July 2, 2012.

d. *Willow Road and Newbridge Street*⁴

The potential mitigation measure for the intersection of Willow Road and Newbridge Street includes an additional eastbound left-turn lane, an additional northbound receiving lane for the eastbound left turning traffic, an additional westbound through/right-turn lane, and an additional receiving lane for the westbound through traffic. The additional eastbound left-turn lane and northbound receiving lane are not feasible due to the right-of-way acquisition and property impacts required along Newbridge Street and at the southwest quadrant of the intersection, which is in the City of East Palo Alto. However, the additional westbound through/right-turn lane and westbound receiving lane is a feasible, partial mitigation measure for the impact. This partial mitigation measure would require traffic signal modifications, the removal of at least one heritage tree in front of 1157 Willow Road in order to accommodate the receiving lane, and the removal and relocation of a portion of the concrete masonry wall and landscaping near 1221 Willow Road.

Prior to the approval of the East Campus Development Agreement, the Project Sponsor shall prepare a construction cost estimate for the feasible mitigation measure at the intersection of Willow Road and Newbridge Street for review and approval of the Public Works Director. Within 90 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall provide a performance bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall submit complete plans to construct a westbound through/right turn lane approximately 300 feet in length, and a westbound through receiving lane, from the Willow Road and Newbridge Street intersection to the beginning of the northbound US 101 on-ramp, based on impacts to the intersections of Willow Road and Newbridge Street.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including, but not limited to, grading and

⁴ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and striping modifications. The plans shall be subject to review and approval by the City and coordination with the City of East Palo Alto Public Works Departments prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the cities of Menlo Park and East Palo Alto, if required, and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the East Campus Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, transit improvements, and TDM programs, throughout the City, with priority given to those portions of the City east of US 101. The partial mitigation improvements are not eligible for a Transportation Impact Fee (TIF) credit. Because the proposed mitigation would not fully mitigate the impact, it remains significant and unavoidable.

e. *Willow Road and Middlefield Road*⁵

See Near Term 2015 East Campus Only TR-1.1b (reproduced below)

TR-1.1b. Willow Road and Middlefield Road. The proposed mitigation measure for the intersection of Willow Road and Middlefield Road includes restriping an existing northbound through lane to a shared through a right-turn lane. Implementing this improvement would require traffic signal modifications, removal of the existing triangular median on the southeast corner of the intersection, along with realignment of the crosswalks on the south and east side of the intersection.

Prior to the approval of the East Campus Development Agreement, the Project Sponsor shall prepare a construction cost estimate for the proposed mitigation measure at the intersection of Willow Road and Middlefield Road for review and approval of the Public Works Director. Within 90 days of the effective date of the East Campus Development Agreements, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements.

⁵ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director. Upon obtaining approval from the City, the Project Sponsor shall construct the improvements within 180 days of the encroachment permit approval date by the City. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit.

f. University Avenue and Bayfront Expressway⁶

See Near Term 2015 East Campus Only TR-1.1c. (reproduced below)

TR-1.1c University Avenue and Bayfront Expressway. The proposed mitigation measure for the intersection of University Avenue and Bayfront Expressway includes an additional southbound through lane and receiving lane. A revised signal timing plan would also be needed. The additional southbound through lane and southbound receiving lane are not feasible due to the right-of-way acquisition from multiple property owners, potential wetlands, relocation of the Bay Trail, and significant intersection modifications, which are under Caltrans jurisdiction. However, the installation of a Class I bikeway (portion of the Bay Trail from west of the railroad tracks to the intersection of University Avenue and Bayfront Expressway) is a feasible, partial mitigation measure for the impact. This partial mitigation measure would require paving, grading, drainage and signing and striping improvements.

Prior to the approval of the East Campus Development Agreement, the Project Sponsor shall prepare a construction cost estimate for the proposed partial mitigation measure along University Avenue between Bayfront Expressway and the railroad tracks for review and approval of the Public Works Director. Within 90 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall submit complete plans to construct the improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, and signage and striping modifications. The plans shall be subject to review and approval by the City and coordination with the City of East Palo Alto Public Works Departments prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the cities of Menlo Park and East Palo Alto, if required, and Caltrans prior to construction of the

⁶ Even though this mitigation measures is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the proposed improvements within five years from the East Campus Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements, and TDM programs throughout the City, with priority given to portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. Because the proposed mitigation would not fully mitigate the impact, it remains significant and unavoidable.

*g. Bayfront Expressway and Chrysler Drive*⁷
See Near Term 2015 East Campus Only TR-1.1d (reproduced below)

TR-1.1d Bayfront Expressway and Chrysler Drive. The proposed mitigation measures for the intersection of Bayfront Expressway and Chrysler Drive include restriping the existing eastbound right turn lane to a shared left-right-turn lane.

Prior to the approval of the East Campus Development Agreement, the Project Sponsor shall prepare a construction cost estimate for the proposed mitigation measures at the intersection of Bayfront Expressway and Chrysler Drive for review and approval of the Public Works Director. Within 90 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.

⁷ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

If Caltrans does not approve the intersection improvements proposed within five years from the East Campus Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City with priority given to portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. Although the proposed mitigation would fully mitigate the impact, it remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Mitigation Measure TR-6.2 involves intersection improvements to mitigate or reduce the impacts of the Project under the Near Term 2018 East Campus and West Campus Condition. However, intersection impacts would remain significant and unavoidable since many improvements require obtaining additional right-of-way and several intersections are not under the City's jurisdiction.

Remaining Impacts: The Project-specific impacts to congestion at the foregoing intersections would remain significant and unavoidable.

Impact TR-7: Increases in traffic associated with the Project under the Near Term 2018 East Campus and West Campus Condition would result in increased volumes on Project area roadway segments.

Mitigation Measure TR-7.1: Roadway Segment Improvements. Roadways could be improved with additional travel lanes to accommodate the increase in net daily trips, but increasing the capacity of the roadway requires additional right-of-way, which can impact local property owners.

- a. *Marsh Road between Bay Road and the railroad tracks*
See Near Term 2015 East Campus Only TR-2.1a (reproduced below)

TR-2.1a Marsh Road between Bay Road and the railroad tracks. An additional lane of travel would provide an increase in capacity and would mitigate the impacts to the roadway segment; however, the mitigation is not feasible because there is a lack of sufficient available right-of-way to construct the improvements. Therefore, the impacts to the roadway segment would remain significant and unavoidable.

- b.* Willow Road between Durham Street and Chester Street
See Near Term 2015 East Campus Only TR-2.1b (reproduced below)

TR-2.1b Willow Road between Durham Street and Chester Street. An additional lane of travel would provide an increase in capacity and would mitigate the impacts to the roadway segment; however, the mitigation is not feasible because there is a lack of sufficient available right-of-way to construct the improvements. Therefore, the impacts to the roadway segment would remain significant and unavoidable.

- c.* Willow Road between Nash Avenue and Blackburn Avenue
See Near Term 2015 East Campus Only TR-2.1c (reproduced below)

TR-2.1c Willow Road between Nash Avenue and Blackburn Avenue. An additional lane of travel would provide an increase in capacity and would mitigate the impacts to the roadway segment; however, the mitigation is not feasible because there is a lack of sufficient available right-of-way to construct the improvements. Therefore, the impacts to the roadway segment would remain significant and unavoidable.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: To improve daily roadway operations a typical mitigation measure would seek to widen the road to add travel lanes and capacity. These roadway segments would still have significant and unavoidable impacts because much of the City and surrounding areas are built out, making roadway widening difficult because right-of-way acquisition impacts local property owners.

Remaining Impacts: The Project-specific impacts to congestion at the foregoing roadway segments would remain significant and unavoidable.

Impact TR-8: Increases in traffic associated with the Project under Near Term 2018 East Campus and West Campus Condition would result in significant impacts to several Routes of Regional Significance.

Mitigation Measure TR-8.1: Routes of Regional Significance Improvements. Routes of Regional Significance could be improved with additional travel lanes, but the routes are under the jurisdiction of Caltrans.

- a.* SR 84 between US 101 and Willow Road
See Near Term 2015 East Campus Only TR-3.1a (reproduced below)

TR-3.1a. SR 84 between US 101 and Willow Road. Adding a travel lane would increase capacity, but adding an additional lane to the roadway is not a feasible mitigation due to right-of-way constraints and because it is under Caltrans' jurisdiction. Therefore, the impact is significant and unavoidable.

b. SR 84 between Willow Road and University Avenue

See Near Term 2015 East Campus Only TR-3.1b (reproduced below)

TR-3.1b SR 84 between Willow Road and University Avenue. Adding a travel lane would increase capacity, but adding an additional lane to the roadway is not a feasible mitigation due to right-of-way constraints and because it is under Caltrans' jurisdiction. Therefore, the impact is significant and unavoidable.

c. SR 84 between University Avenue and County Line

See Near Term 2015 East Campus Only TR-3.1c (reproduced below)

TR-3.1c SR 84 between University Avenue and County Line. Adding a travel lane would increase capacity, but adding an additional lane to the roadway is not a feasible mitigation due to right-of-way constraints and because it is under Caltrans' jurisdiction. Therefore, the impact is significant and unavoidable.

d. US 101 North of Marsh Road

See Near Term 2015 East Campus Only TR-3.1d (reproduced below)

TR-3.1d US 101 North of Marsh Road. Adding a travel lane would increase capacity, but adding an additional lane to the freeway is not a feasible mitigation due to right-of-way constraints and because it is under Caltrans' jurisdiction. Therefore, the impact is significant and unavoidable.

e. US 101 between Willow Road and University Avenue

See Near Term 2015 East Campus Only TR-3.1e (reproduced below)

TR-3.1e US 101 between Willow Road and University Avenue. Adding a travel lane would increase capacity, but adding an additional lane to the freeway is not a feasible mitigation due to right-of-way constraints and because it is under Caltrans' jurisdiction. Therefore, the impact is significant and unavoidable.

f. US 101 between South of University Avenue

See Near Term 2015 East Campus Only TR-3.1f (reproduced below)

TR-3.1f US 101 between South of University Avenue. Adding a travel lane would increase capacity, but adding an additional lane to the freeway is not a feasible mitigation due to right-of-way constraints and because it is under Caltrans' jurisdiction. Therefore, the impact is significant and unavoidable.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: A typical mitigation measure would seek to widen the road to add travel lanes and capacity. However, impacts to Routes of Regional Significance would remain significant and unavoidable because these roadways are not under the jurisdiction of the City. In addition, freeway improvement projects, which add travel

lanes are planned and funded on a regional scale and would be too costly for a single project to be expected to fund.

Remaining Impacts: The Project-specific impacts to congestion at the foregoing Routes of Regional Significance would remain significant and unavoidable.

Impact TR-11: Increases in traffic associated with the Project under the Cumulative 2025 East Campus and West Campus Condition would result in increased delays at several intersections during peak hours.

Mitigation Measure TR-11.1: Intersection Improvements. The operations at several of the intersections could be improved by modifying the intersection geometry to provide additional capacity. Some of these modifications may be made by restriping the existing roadway; however, others may require additional right-of-way when travel lanes are added.

a. Marsh Road and Bayfront Expressway

See Near Term 2018 East and West Campus TR-6.2a

b. Marsh Road and US 101 NB Ramps

See Near Term 2018 East and West Campus TR-6.2b.

c. Willow Road and Bayfront Expressway⁸

See Near Term 2015 East Campus Only TR-1.1a (reproduced below)

TR-1.1a Willow Road and Bayfront Expressway. The proposed partial mitigation measures for the intersection of Willow Road and Bayfront Expressway include an additional eastbound right turn lane with a right turn overlap phase from Willow Road to Bayfront Expressway, a new Class I bikeway between the railroad tracks and the existing Bay Trail, closing the outbound direction of the driveway at Building 10 to simplify maneuvering through the stop-controlled intersection (inbound access would still be provided), lengthening the existing right-turn pocket at the westbound approach to a full lane between Bayfront Expressway and the stop-controlled intersection, and ensuring the crosswalk at the stop-controlled intersection is accommodated safely.

Prior to the approval of the East Campus Development Agreement, the Project Sponsor shall prepare a construction cost estimate for the proposed mitigation measures at the intersection of Willow Road and Bayfront Expressway for review and approval of the Public Works Director. Within 90 days of the effective date of the East Campus Development Agreement, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the

⁸ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

effective date of the East Campus Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way and on the East Campus egress approach, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, signage and striping modifications further west on Willow Road, and the design of the eastbound direction Class I bikeway from the railroad tracks to the intersection of Willow Road and Bayfront Expressway. The plans shall be subject to review and approval of the Public Works Department prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the on-site improvements within 180 days of City approval of the plans. The Project Sponsor shall construct the off-site improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the East Campus Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City. Construction of this improvement by the Project Sponsor shall count as a future credit toward payment of the Transportation Impact Fee (TIF) pursuant to the TIF Ordinance. In the event any portion of the intersection improvements is eligible for funding in whole or in part by C/CAG, such improvements may be deferred by the City in its sole discretion to pursue such funding and the Project Sponsor may be relieved of its responsibility to construct such portion of the intersection improvements as may be funded by C/CAG, or such responsibility may be deferred until eligibility for funding is determined.

d. Willow Road and Newbridge Street
See Near Term 2018 East and West Campus TR-6.2d.

e. Willow Road and Middlefield Road
See Near Term 2015 East Campus Only TR-1.1b.

f. University Avenue and Bayfront Expressway
See Near Term 2015 East Campus Only TR-1.1c.

g. Bayfront Expressway and Chrysler Drive
See Near Term 2015 East Campus Only TR-1.1d.

Mitigation Measure TR-11.2: West Campus Vehicle Trip Cap.

a. See Near Term 2018 East and West Campus TR 6.1.

Mitigation Measure TR-11.3: Intersection Improvements. The operations at several of the intersections could be improved by modifying the intersection geometry to provide additional capacity. Some of these modifications may be made by restriping the existing roadway; however, others may require additional right-of-way to add travel lanes.

- a. Marsh Road and Bayfront Expressway*
See Near Term 2018 East and West Campus TR-6.2a.
- b. Marsh Road and US 101 NB Ramps*
See Near Term 2018 East and West Campus TR-6.2b.
- c. Marsh Road and Middlefield Road*
See Near Term 2018 and West Campus TR-1.1b.
- d. Willow Road and Bayfront Expressway*
See Near Term 2015 East Campus Only TR-1.1a.
- e. Willow Road and Newbridge Street*
See Near Term 2018 East and West Campus TR-6.2d.
- f. Willow Road and Middlefield Road*
See Near Term 2015 East Campus Only TR-1.1b.
- g. University Avenue and Bayfront Expressway*
See Near Term 2015 East Campus Only TR-1.1c.
- h. University Avenue and Donohoe Street*

The proposed mitigation measures for the intersection of University Avenue and Donohoe Street include restriping the westbound approach of the intersection to add a right turn lane and modify the traffic signal to add a right turn overlap phase.

Prior to the approval of the 312 and 313 Constitution Drive, Menlo Park CA [APNs 055-260-210 & -220] (West Campus Development Agreement), the Project Sponsor shall prepare a construction cost estimate for the feasible mitigation measure at the intersection of University Avenue and Donohoe Street for review and approval of the Public Works Director. Within 90 days of the effective date of the West Campus Development Agreement, the Project Sponsor shall provide a performance bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the West Campus Development Agreement effective date, the Project Sponsor shall submit complete plans to construct the improvement.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including, but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree

protection requirements, and striping modifications. The plans shall be subject to review and approval by the City and coordination with the City of East Palo Alto Public Works Departments prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the cities of East Palo Alto, if required, and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the West Campus Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released. Because the improvement is under Caltrans jurisdiction and the City cannot guarantee it would be implemented the impact remains significant and unavoidable.

- i. *Bayfront Expressway and Chrysler Drive*
See Near Term 2015 East Campus Only TR-1.1d.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigations: These mitigation measures involve intersection improvements to mitigate or reduce the impacts of the Revised Project under the Cumulative 2025 East Campus and West Campus Condition. However, intersection impacts would not be reduced to less than significant because many improvements require obtaining additional right-of-way and several intersections are not under the City's jurisdiction.

Remaining Impacts: Impacts to intersections would remain significant and unavoidable.

Impact TR-12: Increases in traffic associated with the Revised Project under the Cumulative 2025 East Campus and West Campus Condition would result in increased volumes on Project area roadway segments.

Mitigation Measure TR-12.1: Roadway Segment Improvements. Roadways could be improved with additional travel lanes to accommodate the increase in net daily trips, but increasing the capacity of the roadway requires additional right-of-way.

- a. Marsh Road between Bay Road and the railroad tracks
See Near Term 2015 East Campus Only TR-2.1a.
- b. Willow Road between Durham Street and Chester Street
See Near Term 2015 East Campus Only TR-2.1b.

c. Willow Road between Nash Avenue and Blackburn Avenue
See Near Term 2015 East Campus Only TR-2.1c.

d. Middlefield Road between Linfield Drive and Survey Lane
See Near Term 2015 East Campus Only TR-2.1d.

TR-12.1d Middlefield Road between Linfield Drive and Survey Lane. An additional lane of travel would provide an increase in capacity and would mitigate the impacts to the roadway segment; however, the mitigation is not feasible because there is a lack of sufficient available right-of-way to construct the improvements. Therefore, the impacts to the roadway segment would remain significant and unavoidable.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Mitigation Measure TR-12.1 involves roadway improvements to mitigate or reduce the impacts of the Project under the Cumulative 2025 East Campus and West Campus Condition on daily roadway segment operations. However, to improve daily roadway operations, a typical mitigation measure would seek to widen the road to add travel lanes and capacity. These roadway impacts would not be reduced to less than significant because much of the City and surrounding areas are built out, making roadway widening difficult because right-of-way acquisition impacts local property owners.

Remaining Impacts: Impacts to daily roadway segment operations would remain significant and unavoidable.

Impact TR-13: Increases in traffic associated with the Revised Project under Cumulative East Campus and West Campus Condition would result in significant impacts to several Routes of Regional Significance.

Mitigation Measure TR-13.1: Routes of Regional Significance Improvements. Routes of Regional Significance could be improved with additional travel lanes, but the freeways are under the jurisdiction of Caltrans.

a. SR 84 between US 101 and Willow Road
See Near Term 2015 East Campus Only TR-3.1a.

b. SR 84 between Willow Road and University Avenue
See Near Term 2015 East Campus Only TR-3.1b

c. SR 84 between University Avenue and County Line
See Near Term 2015 East Campus Only TR-3.1c.

d. US 101 North of Marsh Road
See Near Term 2015 East Campus Only TR-3.1d.

e. US 101 between Willow Road and University Avenue
See Near Term 2015 East Campus Only TR-3.1e.

f. US 101 between South of University Avenue
See Near Term 2015 East Campus Only TR-3.1f.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: Mitigation Measure TR-13.1 involves roadway improvements to mitigate or reduce the impacts of the Project under the Cumulative 2025 East Campus and West Campus Condition on Routes of Regional Significance. A typical mitigation measure would seek to widen the road to add travel lanes and capacity. However, impacts to Routes of Regional Significance would not be reduced to less than significant because these roadways are not under the jurisdiction of the City. In addition, freeway improvement projects, which add travel lanes are planned and funded on a regional scale and would be too costly for a single project to be expected to fund.

Remaining Impacts: Impacts to Routes of Regional Significance would remain significant and unavoidable.

B. AIR QUALITY

Impact AQ-2: Operation of the Revised Project would create new area and mobile sources of air pollutants that would generate emissions of Reactive Organic Gas (ROG), Nitrogen Oxide (NO_x), and Particulate PM₁₀ that would exceed BAAQMD's significance thresholds.

Mitigation Measure: No mitigation measures are available to reduce this significant and unavoidable impact.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: At this time there are no feasible mitigation measures that would reduce the NO_x, ROG, and PM₁₀ emissions to less than significant. Thus, this impact would be significant and unavoidable. However, the silt loading used to estimate fugitive dust emissions of PM₁₀ is likely an overestimate of the actual silt loading on the roads on which the Project trips would occur based on the range of silt loadings explained in EPA's AP-42. Therefore, the actual PM₁₀ emissions would likely be less than shown. Nonetheless, since site-specific silt loadings are not available at this time, and the actual reduction in emissions is speculative, the emissions are significant and unavoidable.

Remaining Impacts: The impacts to air quality associated with NO_x, ROG, and PM₁₀ emissions would remain significant and unavoidable.

Impact C-AQ-2: The Revised Project, in combination with other development within the City, would create new area and mobile sources of air pollutants that would generate emissions of ROG, NO_x, and PM₁₀ resulting in a violation of an Air Quality Standard.

Mitigation Measure: No mitigation measures are available to reduce this significant and unavoidable impact.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: At this time there are no feasible mitigation measures that would reduce the NO_x, ROG, and PM₁₀ emissions to less than significant. Thus, this impact would be significant and unavoidable.

Remaining Impacts: The impacts to air quality associated with NO_x, ROG, and PM₁₀ emissions would remain significant and unavoidable.

Impact C-AQ-5: The Revised Project, in combination with other foreseeable development in the Project vicinity, would expose sensitive receptors to substantial Toxic Air Contaminants (TAC)s.

Mitigation Measure: No mitigation measures are available to reduce this significant and unavoidable impact.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: The City explored the option of relocating sensitive receptors further from freeways or other high traffic roadways. However, relocation is not a feasible option.

Remaining Impacts: The cumulative health impacts would remain significant and unavoidable.

C. NOISE

Impact NO-1: The increase in vehicular traffic associated with implementation of the Revised Project could result in an increase in the exposure of off-site noise sensitive receptors to noise levels potentially in excess of the standards established in the General Plan or Municipal Code.

Mitigation Measure: No mitigation measures are available to reduce this significant and unavoidable impact.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: The Revised Project includes a Transportation Demand Management (TDM) program that sets forth a variety of measures designed to reduce the number of daily trips. However, the TDM program may not reduce trips enough to reduce the Project's contribution to traffic noise to a less-than-significant level. The City explored the option of installing a noise wall along the roadway segments that would experience the greatest increase in traffic noise. However, due to various restrictions including, but not limited to access requirements for driveways, presence of local cross streets, underground utilities, and safety considerations, and aesthetics, it was determined that this mitigation was not feasible. There are no other feasible mitigation measures that could reduce or eliminate the impact related to traffic noise, other than reducing traffic.

Remaining Impacts: This exposure to excessive traffic noise levels would remain significant and unavoidable.

Impact NO-2: The Revised Project could result in levels of vibration that would disrupt operations at nearby vibration-sensitive land uses.

Mitigation Measure NO-2.1: Notify Nearby Businesses of Construction Activities on the West Campus that Could Affect Vibration-Sensitive Equipment. The Project Sponsor shall provide notification to property owners and occupants of vibration-sensitive buildings within 225 feet of general construction activities and 900 feet of pile-driving activities, prior to the start of construction at the West Campus, informing them of the estimated start date and duration of vibration-generating construction activities, such as would occur during site preparation, grading, and pile driving. This notification shall include information warning about potential for impacts related to vibration-sensitive equipment. The Project Sponsor shall provide a phone number for the property owners and occupants to call if they have vibration-sensitive equipment on their sites. A copy of the notification and any responses shall be provided to the Planning Division prior to building permit issuance.

Mitigation Measure NO-2.2: Implement Construction Best Management Practices to Reduce Construction Vibration on the West Campus. If vibration-sensitive equipment is identified within 225 feet of general construction activities, including internal road construction or 900 feet of pile-driving activities on the West Campus, the Project Sponsor shall implement the following measures during construction:

- To the extent feasible, construction activities that could generate high vibration levels at identified vibration-sensitive locations shall be scheduled during times that would have the least impact on nearby land uses. This could include restricting construction activities in the areas of potential impact to the early and late hours of the work day, such as from 8:00 am to 10:00 a.m. or 4:00 p.m. to 6:00 p.m. Monday to Friday.
- Stationary sources, such as construction staging areas and temporary generators, shall be located as far from nearby vibration-sensitive receptors as possible.

- Trucks shall be prohibited from idling along streets serving the construction site where vibration-sensitive equipment is located.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigations: Construction of the West Campus would have the potential to result in significant ground-borne vibration that would disturb vibration-sensitive land uses. Although implementation of these measures would reduce ground-borne vibration impacts from construction, vibration-sensitive equipment at the TE Connectivity site, the Menlo Science and Technology Park (AMB's Park along Willow Road), and other commercial facilities (if identified), could still be exposed to excessive construction-generated vibration levels. Therefore, this impact is considered to be significant and unavoidable.

Remaining Impacts: The exposure to temporary increases in ambient noise levels would remain significant and unavoidable.

Impact NO-3: Operation of the Revised Project would result in a substantial permanent ambient noise level increase in the Project vicinity due to an increase in traffic.

Mitigation Measure: No mitigation measures are available to reduce this significant and unavoidable impact.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: The Revised Project includes a TDM program that sets forth a variety of measures designed to reduce the number of daily trips. However, the TDM program may not reduce trips enough to reduce the Revised Project's contribution to traffic noise to a less-than-significant level. The City explored the option of installing a noise wall along the roadway segments that would experience the greatest increase in traffic noise. However, due to various restrictions including, but not limited to access requirements for driveways, presence of local cross streets, underground utilities, and safety considerations, and aesthetics, it was determined that this mitigation was not feasible. There are no other feasible mitigation measures that could reduce or eliminate the impact related to traffic noise, other than reducing traffic.

Remaining Impacts: This permanent increase in ambient noise level would remain significant and unavoidable.

Impact C-NO-1: The Revised Project, in combination with other development within the City, would result in a substantial increase in exposure of persons to noise in excess of the standards established in the General Plan or Municipal Code.

Mitigation Measure: No mitigation measures are available to reduce this significant and unavoidable impact.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: The Revised Project includes a TDM program that sets forth a variety of measures designed to reduce the number of daily trips. However, the TDM program may not reduce trips enough to reduce the Revised Project's contribution to traffic noise to a less-than-significant level. The City explored the option of installing a noise wall along the roadway segments that would experience the greatest increase in traffic noise. However, due to various restrictions including, but not limited to access requirements for driveways, presence of local cross streets, underground utilities, and safety considerations, and aesthetics, it was determined that this mitigation was not feasible. There are no other feasible mitigation measures that could reduce or eliminate the impact related to traffic noise, other than reducing traffic.

Remaining Impacts: This exposure to excessive traffic noise levels would remain significant and unavoidable.

Impact C-NO-3: Operation of the Revised Project, and other cumulative developments, would result in a substantial permanent ambient noise level increase in the Project vicinity.

Mitigation Measure: No mitigation measures are available to reduce this significant and unavoidable impact.

FINDINGS: Based upon the entire record before the City, the City Council finds that:

Effects of Mitigation: The Revised Project includes a TDM program that sets forth a variety of measures designed to reduce the number of daily trips. However, the TDM program may not reduce trips enough to reduce the Revised Project's contribution to traffic noise to a less-than-significant level. The City explored the option of installing a noise wall along the roadway segments that would experience the greatest increase in traffic noise. However, due to various restrictions including, but not limited to access requirements for driveways, presence of local cross streets, underground utilities, and safety considerations, and aesthetics, it was determined that this mitigation was not feasible. There are no other feasible mitigation measures that could reduce or eliminate the impact related to traffic noise, other than reducing traffic.

Remaining Impacts: This permanent increase in ambient noise level would remain significant and unavoidable.

V. Statement of Overriding Considerations

The City Council adopts and makes the following Statement of Overriding Considerations regarding the significant unavoidable impacts of the Revised Project. After review of the entire administrative record, the City Council finds that, pursuant to CEQA section 21081(b) and CEQA Guidelines section 15093, specific economic, legal, social, technological and other benefits of the Revised Project outweigh the Revised

Project's unavoidable adverse impacts and the City Council finds that the significant and unavoidable adverse impacts are acceptable in light of the Revised Project's benefits.

A. Significant Unavoidable Impacts

With respect to the foregoing findings and in recognition of those facts that are included in the entire administrative record, the City has determined that the Revised Project would result in significant unavoidable transportation impacts to intersections, roadway segments, and Routes of Regional Significance. Significant and unavoidable impacts would also occur associated with an increase in air pollutants due to an increase in vehicle trips and an increase in ambient noise levels associated with an increase in vehicle trips.

The City hereby finds that, where possible, changes or alterations have been required in or incorporated into the Revised Project that substantially lessen the significant environmental effects identified in the certified EIR. The City further finds that there are no additional feasible mitigation measures that could be imposed to reduce and/or eliminate the significant and unavoidable impacts listed above. These impacts could not be reduced to a less-than-significant level by feasible changes, mitigation measures or alterations to the Revised Project.

B. Overriding Considerations

The City Council finds that each of the overriding considerations set forth below constitutes a separate and independent ground for a finding that the benefits of the Project outweigh its significant adverse environmental impacts and is an overriding consideration warranting approval of the Revised Project.

1. Use of an underutilized site for a global headquarter campus for the world's most prominent social networking company;
2. A high-density use in close proximity to major highways and transit routes and encouragement of alternative modes of transportation through an aggressive Transportation Demand Management (TDM) program;
3. A recurring Public Benefit Payment of \$150,000 for ten years;
4. Contribution of an additional \$100,000 to the Local Community Fund that was established as part of the East Campus Development Agreement;
5. Property Tax Guarantee for the assessed value of the West Campus;
6. Public access to the landscaped area of the Revised Project adjacent to the undercrossing;
7. Cooperation to allow limited pedestrian and 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;
8. Contribution of \$100,000 to fund improvements that benefit the Belle Haven neighborhood;
9. Commitment to use Gehry Partners, LLP as the registered architect;
10. Design to Leadership in Energy and Environmental Design (LEED) Building and Construction (BD+C) Gold equivalency; and
11. Provision of a living roof design

Having identified the significant environmental effects of the Revised Project, adopted all feasible mitigation measures, identified all unavoidable significant impacts, and balanced the specific economic, legal, social, technological, and other benefits of the Revised Project, the City Council has determined that the significant and unavoidable adverse impacts are outweighed by the benefits and may be considered acceptable, and therefore approves the Revised Project as described herein.

VI. Adoption of the MMRP

The City Council hereby adopts the mitigation measures set forth for the West Campus in the certified EIR, the Addendum, and the MMRP attached hereto as Exhibit A and incorporated herein by this reference.

VII. Severability

If any term, provision, or portion of these findings or the application of these findings to a particular situation is held by a court to be invalid, void or unenforceable, the remaining provisions of these findings, or their application to other actions related to the Project, shall continue in full force and effect unless amended or modified by the City.

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-sixth day of March, 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-sixth day of March, 2013.

Margaret S. Roberts, MMC
City Clerk

Mitigation Monitoring and Reporting Program

INTRODUCTION

The California Environmental Quality Act (CEQA) requires the adoption of feasible mitigation measures to reduce the severity and magnitude of significant environmental impacts associated with project development. An Environmental Impact Report was prepared for the proposed Menlo Park Facebook Campus Project (Project) and certified by the Menlo Park City Council in May 2012 (certified EIR). Subsequent to certification of the EIR, the applicant redesigned the West Campus component of the Project (Revised Project) and an Addendum was prepared to analyze the Revised Project. The certified EIR and the Addendum for the Revised Project at the West Campus include mitigation measures to reduce the potential environmental effects of the Project.

CEQA also requires reporting on and monitoring of mitigation measures adopted as part of the environmental review process (Public Resources Code Section 21081.6). This Mitigation Monitoring and Reporting Program (MMRP) is designed to aid the City of Menlo Park in its implementation and monitoring of measures adopted from the certified EIR.

The mitigation measures are taken from the certified EIR and Addendum for the West Campus only. The MMRP for the East Campus was approved by the Menlo Park City Council on May 29, 2012. Mitigation measures in this West Campus MMRP are assigned the same number as in the certified EIR. The MMRP is presented in table format and it describes the actions that must take place to implement each mitigation measure, the timing of those actions, the entities responsible for implementing and monitoring the actions, and verification of compliance.

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
AESTHETICS				
IMPACT BEING ADDRESSED: The Project at the West Campus could create new sources of light or glare that could adversely affect day or nighttime views. Therefore, this impact would be potentially significant. (AE-3)				
<p><i>AE-3.1 – Design Lighting at the West Campus to Meet Minimum Safety and Security Standards.</i> Concurrent with the building permit submittal, the Project Sponsor shall incorporate lighting design specifications to meet minimum safety and security standards. The comprehensive site lighting plans shall be subject to review and approval by the Planning Division prior to building permit issuance of the first building on that site. The following measures shall be included in all lighting plans:</p> <ul style="list-style-type: none"> • Luminaires shall be designed with cutoff-type fixtures or features that cast low-angle illumination to minimize incidental spillover of light onto adjacent private properties. Fixtures that shine light upward or horizontally shall not spill any light onto adjacent private properties. • Luminaires shall provide accurate color rendering and natural light qualities. Low-pressure sodium and high-pressure sodium fixtures that are not color-corrected shall not be used, except as part of an approved sign or landscape plan. • Luminary mountings shall be downcast and pole heights minimized to reduce potential for back scatter into the nighttime sky and incidental spillover light onto adjacent properties and undeveloped open space. Light poles shall be no higher than 20 feet. Luminary mountings shall be treated with non-glare finishes. 	<p>Luminaires shall be designed to cast low-angle illumination.</p> <p>Luminaires shall provide accurate color rendering and natural light qualities.</p> <p>Luminary mountings shall be downcast to reduce spillover.</p>	<p>Submittal of lighting plan concurrent with building permit application.</p> <p>Submittal of lighting plan concurrent with building permit application.</p> <p>Submittal of lighting plan concurrent with building permit application.</p>	<p>Project Sponsor</p> <p>Project Sponsor</p> <p>Project Sponsor</p>	<p>City of Menlo Park Community Development Department (CDD)</p> <p>CDD</p> <p>CDD</p>

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p><i>AE-3.2 – Treat Reflective Surfaces at the West Campus.</i> The Project Sponsor shall ensure application of low-emissivity coating on exterior glass surfaces of the proposed structures. The low-emissivity coating shall reduce visible light reflection of the visible light that strikes the glass exterior and prevent interior light from being emitted brightly through the glass.</p>	<p>Apply low-emissivity coating on exterior glass surfaces of the proposed structures</p>	<p>Submittal of proposed low-emissivity coating proposal concurrent with building permit application</p>	<p>Project Sponsor</p>	

TRANSPORTATION

IMPACT BEING ADDRESSED: Increases in traffic associated with the Project under the Near Term 2018 East Campus and West Campus Condition would result in increased delays at several intersections during peak hours causing a potentially significant impact to the operation of the several study intersections. (TR-6)

<p><i>TR-6.1 – West Campus Vehicle Trip Cap.</i> West Campus 1,100 vehicle trip cap for both the AM Peak Period and PM Peak Period.</p> <p>This mitigation measure would reduce AM and PM peak trips, and thus reduce trips at impacted intersections, and involves the imposition of a trip cap on the West Campus comparable to the Trip Cap that is part of the Project for the East Campus.</p> <p>The 1,100 peak hour vehicle trip cap has been calculated in a similar fashion to the East Campus trip cap and is based on a comparative ratio between the East and West Campus employee totals in the following manner:</p> <p style="padding-left: 40px;">2,800 West Campus Employees x (2,600 East Campus Peak Period Trip Cap/6,600 East Campus Employees) = 1,100 West Campus Peak Period Trip Cap</p> <p>The West Campus vehicle trip cap mitigation shall generally comply with West Campus Trip Cap Monitoring and Enforcement Policy, which is included in the Conditional Development Permit. A peak period trip cap of 1,100 trips for the West Campus does not, in and of itself, fully mitigate the impacts in either the AM peak or PM peak for any of the impacted intersections. Because the proposed mitigation</p>	<p>Develop a West Campus Vehicle Trip Cap in compliance with the Trip Cap Monitoring and Enforcement Policy.</p> <p>Enforce the West Campus Vehicle Trip Cap.</p>	<p>Prior to approval of Development Agreement</p> <p>Throughout lifetime of Project</p>	<p>Project Sponsor</p> <p>Project Sponsor</p>	<p>Public Works (PW)/ CDD</p> <p>PW/ CDD</p>
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Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
would not fully mitigate the impact, it remains significant and unavoidable unless the impact is fully mitigated through a specific intersection improvement as outlined below.				
<i>TR-6.2 – Intersection Improvements.</i> The operations at several of the intersections could be improved by modifying the intersection geometry to provide additional capacity. Some of these modifications may be made by restriping the existing roadway; however, others may require additional right-of-way to add travel lanes. These mitigation measures are not dependent on the West Campus vehicle trip cap. See Appendix 3.5-I of the Draft EIR for intersection conceptual layout plans for mitigation measures.	See below	See below	See below	See below
<p><i>a. Marsh Road and Bayfront Expressway</i></p> <p>The proposed mitigation measures for the intersection of Marsh Road and Bayfront Expressway include restriping the westbound approach from a shared left-through-right lane to a shared left-through lane and a shared through-right lane.</p> <p>Prior to the Development Agreement¹ approval, the Project Sponsor shall prepare a construction cost estimate for the proposed mitigation measure at the intersection of Marsh Road and Bayfront Expressway for review and approval of the Public Works Director. Within 90 days of the effective date of the Development Agreement for the East Campus, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements.</p> <p>Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage</p>	<p>Prepare a construction cost estimate.</p> <p>Provide a bond for improvements.</p> <p>Submit complete plans to construct the intersection improvements.</p>	<p>Prior to approval of Development Agreement</p> <p>Within 90 days of the effective date of the Development Agreement</p> <p>Within 180 days of the effective date of the Development Agreement</p>	<p>Project Sponsor</p> <p>Project Sponsor</p> <p>Project Sponsor</p>	<p>PW</p> <p>PW</p> <p>PW, Caltrans</p>

¹ All Development Agreement references are applicable to the 1601 Willow Road (East Campus) Development Agreement, unless otherwise noted.

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.</p> <p>If Caltrans does not approve the intersection improvements proposed within five years from the Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, transit improvements, and TDM programs, throughout the City, with priority given to those portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. Although the proposed mitigations would fully mitigate the impact, the impact remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.</p>	Complete and submit an encroachment permit.	Prior to construction of the intersection improvements.	Project Sponsor	PW, Caltrans
	Construct improvements.	Within 180 days of Caltrans approval	Project Sponsor	PW, Caltrans

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p><i>b. Marsh Road and US 101 NB Ramps</i></p> <p>The proposed mitigation measures for the intersection of Marsh Road and US 101 Northbound off-ramp include widening the northbound off-ramp on the western side of the approach and adding an additional left-turn lane along with adding a second right-turn lane by restriping one of the existing left-turn lanes. This improvement will require relocation of existing traffic signal poles, utility relocation and reconstruction of the curb ramp on the southwest corner of the intersection.</p> <p>Prior to the Development Agreement approval, the Project Sponsor shall prepare a construction cost estimate for the proposed mitigation measures at the intersection of Marsh Road and US 101 Northbound off-ramp for review and approval of the Public Works Director. Within 90 days of the effective date of the Development Agreement for the East Campus, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements.</p> <p>Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from</p>	Prepare a construction cost estimate.	Prior to approval of the Development Agreement	Project Sponsor	PW
	Provide a bond for improvements.	Within 90 days of the effective day of the Development Agreement	Project Sponsor	PW
	Submit complete plans to construct the intersection improvements.	Within 180 days of the effective date of the Development Agreement	Project Sponsor	PW, Caltrans
	Complete and submit an encroachment permit.	Prior to construction of the intersection improvements	Project Sponsor	PW, Caltrans
	Construct improvements.	Within 180 days of Caltrans approval	Project Sponsor	PW, Caltrans

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>Caltrans.</p> <p>If Caltrans does not approve the intersection improvements proposed within five years from the Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, transit improvements, and TDM programs, throughout the City, with priority given to those portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. Although the proposed mitigation would fully mitigate the impact, the impact remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.</p>				
<p><i>c. Memorandum of Agreement by and Between the Town of Atherton and Facebook, Inc. Regarding the Menlo Park Facebook Campus Project.</i> Facebook shall comply with the Memorandum of Agreement by and Between the Town of Atherton and Facebook, Inc. Regarding the Menlo Park Facebook Campus Project dated July 2, 2012.</p>	<p>Implement the Memorandum of Agreement.</p>	<p>Prior to approval of the Development Agreement</p>	<p>Project Sponsor</p>	<p>Town of Atherton</p>
<p><i>d. Willow Road and Newbridge Street</i></p> <p>The potential mitigation measure for the intersection of Willow Road and Newbridge Street includes an additional eastbound left-turn lane, an additional northbound receiving lane for the eastbound left turning traffic, an additional westbound through/right-turn lane, and an additional receiving lane for the westbound through traffic. The additional eastbound left-turn lane and northbound receiving</p>				

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>lane are not feasible due to the right-of-way acquisition and property impacts required along Newbridge Street and at the southwest quadrant of the intersection, which is in the City of East Palo Alto. However, the additional westbound through/right-turn lane and westbound receiving lane is a feasible, partial mitigation measure for the impact. This partial mitigation measure would require traffic signal modifications, the removal of at least one heritage tree in front of 1157 Willow Road in order to accommodate the receiving lane, and the removal and relocation of a portion of the concrete masonry wall and landscaping near 1221 Willow Road.</p> <p>Prior to the Development Agreement approval, the Project Sponsor shall prepare a construction cost estimate for the feasible mitigation measure at the intersection of Willow Road and Newbridge Street for review and approval of the Public Works Director. Within 90 days of the effective date of the Development Agreement for the East Campus, the Project Sponsor shall provide a performance bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the Development Agreement effective date, the Project Sponsor shall submit complete plans to construct a westbound through/right turn lane approximately 300 feet in length, and a westbound through receiving lane, from the Willow Road and Newbridge Street intersection to the beginning of the northbound US 101 on-ramp, based on impacts to the intersections of Willow Road and Newbridge Street.</p> <p>Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including, but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and striping modifications. The plans shall be subject to review and approval by the City and coordination with the City of</p>	Prepare a construction cost estimate.	Prior to approval of the Development Agreement	Project Sponsor	PW
	Provide a bond for improvements.	Within 90 days of the effective day of the Development Agreement	Project Sponsor	PW
	Submit complete plans to construct the intersection improvements.	Within 180 days of the effective date of the Development Agreement	Project Sponsor	PW, Caltrans
	Complete and submit an encroachment permit.	Prior to construction of the intersection improvements	Project Sponsor	PW, City of East Palo Alto PW, Caltrans

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>East Palo Alto Public Works Departments prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the cities of Menlo Park and East Palo Alto, if required, and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.</p> <p>If Caltrans does not approve the intersection improvements proposed within five years from the Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, transit improvements, and TDM programs, throughout the City, with priority given to those portions of the City east of US 101. The partial mitigation improvements are not eligible for a Transportation Impact Fee (TIF) credit. Because the proposed mitigation would not fully mitigate the impact, it remains significant and unavoidable.</p>	<p>Construct improvements.</p>	<p>Within 180 days of Caltrans approval</p>	<p>Project Sponsor</p>	<p>PW, City of East Palo Alto PW, Caltrans</p>

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p><i>e. Willow Road and Middlefield Road</i> See Near Term 2015 East Campus Only TR-1.1b (reproduced below) <i>TR-1.1b. Willow Road and Middlefield Road</i> The proposed mitigation measure for the intersection of Willow Road and Middlefield Road includes restriping an existing northbound through lane to a shared through a right-turn lane. Implementing this improvement would require traffic signal modifications, removal of the existing triangular median on the southeast corner of the intersection, along with realignment of the crosswalks on the south and east side of the intersection. Prior to the Development Agreement approval, the Project Sponsor shall prepare a construction cost estimate for the proposed mitigation measure at the intersection of Willow Road and Middlefield Road for review and approval of the Public Works Director. Within 90 days of the effective date of the Development Agreement for the East Campus, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements. Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director. Upon obtaining approval from the City, the Project Sponsor shall construct the improvements within 180 days of the encroachment permit approval date by the City. Construction of these improvements is not eligible for a Transportation</p>	Prepare a construction cost estimate.	Prior to the Development Agreement approval	Project Sponsor	PW
	Provide a bond for improvements.	Within 90 days of the effective date of the Development Agreement	Project Sponsor	PW
	Submit complete plans to construct the intersection improvements.	Within 180 days of the effective date of the Development Agreement	Project Sponsor	PW
	Construct improvements.	Within 180 days of encroachment permit approval	Project Sponsor	PW

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>including but not limited to, grading and drainage improvements, utility relocations, and signage and striping modifications. The plans shall be subject to review and approval by the City and coordination with the City of East Palo Alto Public Works Departments prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the cities of Menlo Park and East Palo Alto, if required, and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.</p> <p>If Caltrans does not approve the proposed improvements within five years from the Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements, and TDM programs throughout the City, with priority given to portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. Because the proposed mitigation would not fully mitigate the impact, it remains significant and unavoidable.</p>	<p>Submit complete plans to construct the Class I bike path.</p> <p>Complete and submit an encroachment permit.</p> <p>Construct improvements.</p>	<p>Within 180 days of the effective date of the Development Agreement</p> <p>Prior to construction of the intersection improvements</p> <p>Within 180 days of Caltrans approval</p>	<p>Project Sponsor</p> <p>Project Sponsor</p> <p>Project Sponsor</p>	<p>PW (coordination with the City of East Palo Alto, Association of Bay Area Governments, Bay Trail Project, as necessary), Samtrans/JPB/C PUC and Caltrans PW, Samtrans/JPB/C PUC and Caltrans</p> <p>PW, Samtrans/JPB/C PUC and Caltrans</p> <p>PW, Samtrans/JPB/C PUC and Caltrans</p>

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p><i>g. Bayfront Expressway and Chrysler Drive</i> See Near Term 2015 East Campus Only TR-1.1d (reproduced below)</p> <p><i>TR-1.1d – Bayfront Expressway and Chrysler Drive</i> The proposed mitigation measures for the intersection of Bayfront Expressway and Chrysler Drive include restriping the existing eastbound right turn lane to a shared left-right-turn lane.</p> <p>Prior to the Development Agreement approval, the Project Sponsor shall prepare a construction cost estimate for the proposed mitigation measures at the intersection of Bayfront Expressway and Chrysler Drive for review and approval of the Public Works Director. Within 90 days of the effective date of the Development Agreement for the East Campus, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements.</p> <p>Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.</p> <p>If Caltrans does not approve the intersection improvements proposed within five years from the Development Agreement effective date, and the Project Sponsor demonstrates that it</p>	<p>Prepare a construction cost estimate.</p> <p>Provide a bond for improvements.</p> <p>Submit complete plans to construct the intersection improvements.</p> <p>Complete and submit an encroachment permit.</p>	<p>Prior to approval of the Development Agreement</p> <p>Within 90 days of the effective day of the Development Agreement</p> <p>Within 180 days of the effective date of the Development Agreement</p> <p>Prior to construction of the intersection improvements</p>	<p>Project Sponsor</p> <p>Project Sponsor</p> <p>Project Sponsor</p> <p>Project Sponsor</p>	<p>PW</p> <p>PW</p> <p>PW, Caltrans</p> <p>PW, Caltrans</p>

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Project Sponsor submits funds equal to the bid construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City with priority given to portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. Although the proposed mitigation would fully mitigate the impact, it remains significant and unavoidable because the intersection is under the jurisdiction of Caltrans and the City cannot guarantee the mitigation measure would be implemented.</p>	<p>Construct improvements.</p>	<p>Within 180 days of Caltrans approval</p>	<p>Project Sponsor</p>	<p>PW, Caltrans</p>

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>Sponsor shall prepare a construction cost estimate for the proposed mitigation measures at the intersection of Willow Road and Bayfront Expressway for review and approval of the Public Works Director. Within 90 days of the effective date of the Development Agreement for the East Campus, the Project Sponsor shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the Development Agreement, the Project Sponsor shall submit complete plans to construct the intersection improvements.</p> <p>Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way and on the East Campus egress approach, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, signage and striping modifications further west on Willow Road, and the design of the eastbound direction Class I bikeway from the railroad tracks to the intersection of Willow Road and Bayfront Expressway. The plans shall be subject to review and approval of the Public Works Department prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the on-site improvements within 180 days of City approval of the plans. The Project Sponsor shall construct the off-site improvements within 180 days of receiving approval from Caltrans.</p> <p>If Caltrans does not approve the intersection improvements proposed within five years from the Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond</p>	Provide a bond for improvements.	Within 90 days of the effective day of the Development Agreement	Project Sponsor	PW
	Submit complete plans to construct the intersection improvements. Construct Improvements	Within 180 days of the effective date of the Development Agreement	Project Sponsor	PW
	Complete and submit an encroachment permit.	Prior to construction of the intersection improvements	Project Sponsor	PW, Caltrans
	Construct improvements.	Within 180 days of Caltrans approval	Project Sponsor	PW, Caltrans

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>shall be released by the City. Construction of this improvement by the Project Sponsor shall count as a future credit toward payment of the Transportation Impact Fee (TIF) pursuant to the TIF Ordinance. In the event any portion of the intersection improvements is eligible for funding in whole or in part by C/CAG, such improvements may be deferred by the City in its sole discretion to pursue such funding and the Project Sponsor may be relieved of its responsibility to construct such portion of the intersection improvements as may be funded by C/CAG, or such responsibility may be deferred until eligibility for funding is determined.</p> <p><i>d. Willow Road and Newbridge Street</i> See Near Term 2018 East and West Campus TR-6.2d.</p> <p><i>e. Willow Road and Middlefield Road</i> See Near Term 2015 East Campus Only TR-1.1b.</p> <p><i>f. University Avenue and Bayfront Expressway</i> See Near Term 2015 East Campus Only TR-1.1c.</p> <p><i>g. Bayfront Expressway and Chrysler Drive</i> See Near Term 2015 East Campus Only TR-1.1d.</p>				
<p><i>TR-11.2 – West Campus Vehicle Trip Cap.</i> <i>a. See Near Term 2018 East and West Campus TR-6.1.</i></p>	See above	See above	See above	See above

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p><i>TR-11.3 – Intersection Improvements.</i> The operations at several of the intersections could be improved by modifying the intersection geometry to provide additional capacity. Some of these modifications may be made by restriping the existing roadway; however, others may require additional right-of-way to add travel lanes. See Appendix 3.5-I of the EIR for intersection conceptual layout plans for mitigation measures.</p> <p><i>a. Marsh Road and Bayfront Expressway</i> See Near Term 2018 East and West Campus TR-6.2a.</p> <p><i>b. Marsh Road and US 101 NB Ramps</i> See Near Term 2018 East and West Campus TR-6.2b.</p> <p><i>c. Marsh Road and Middlefield Road</i> See Near Term 2018 and West Campus TR-1.1b.</p> <p><i>d. Willow Road and Bayfront Expressway</i> See Near Term 2015 East Campus Only TR-1.1a.</p> <p><i>e. Willow Road and Newbridge Street</i> See Near Term 2018 East and West Campus TR-6.2d.</p> <p><i>f. Willow Road and Middlefield Road</i> See Near Term 2015 East Campus Only TR-1.1b.</p> <p><i>g. University Avenue and Bayfront Expressway</i> See Near Term 2015 East Campus Only TR-1.1c.</p>	See above	See above	See above	See above
<p><i>h. University Avenue and Donohoe Street</i></p> <p>The proposed mitigation measures for the intersection of University Avenue and Donohoe Street include restriping the westbound approach of the intersection to add a right turn lane and modify the traffic signal to add a right turn overlap phase.</p> <p>Prior to the West Campus Development Agreement approval, the Project Sponsor shall prepare a construction cost estimate for the feasible mitigation measure at the intersection of</p>	Prepare a construction cost estimate.	Prior to approval of the Development Agreement	Project Sponsor	PW

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>University Avenue and Donohoe Street for review and approval of the Public Works Director. Within 90 days of the effective date of the Development Agreement for the West Campus, the Project Sponsor shall provide a performance bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the West Campus Development Agreement effective date, the Project Sponsor shall submit complete plans to construct the improvement.</p> <p>Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including, but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and striping modifications. The plans shall be subject to review and approval by the City and coordination with the City of East Palo Alto Public Works Departments prior to submittal to Caltrans. The Project Sponsor shall complete and submit an encroachment permit for approval by the cities of East Palo Alto, if required, and Caltrans prior to construction of the intersection improvements. The Project Sponsor shall construct the improvements within 180 days of receiving approval from Caltrans.</p> <p>If Caltrans does not approve the intersection improvements proposed within five years from the West Campus Development Agreement effective date, and the Project Sponsor demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Project Sponsor shall be relieved of responsibility to construct the improvement and the bond shall be released. Because the improvement is under Caltrans jurisdiction and the City cannot guarantee it would be implemented the impact remains significant and unavoidable.</p>	Provide a bond for improvements.	Within 90 days of the effective day of the Development Agreement	Project Sponsor	PW
	Complete and submit an encroachment permit	Within 180 days of the effective date of the Development Agreement	Project Sponsor	PW, Caltrans
	Submit complete plans to construct the intersection improvements.	Prior to construction of the intersection improvements	Project Sponsor	East Palo Alto, PW, and Caltrans
	Construct Improvements	Within 180 days of Caltrans approval	Project Sponsor	PW, Caltrans

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<i>i. Bayfront Expressway and Chrysler Drive</i> See Near Term 2015 East Campus Only TR-1.1d.	See above	See above	See above	See above

AIR QUALITY

IMPACT BEING ADDRESSED: Construction activities at the West Campus would not generate emissions of ROG, NO_x, PM₁₀, and PM_{2.5} that would exceed BAAQMD's significance thresholds. (AQ-3)

<p><i>AQ-3.1 – Implement Recommended Dust Control Measures.</i> BAAQMD does not have mass emission thresholds for fugitive PM, but rather requires implementation of Best Management Practices (BMPs) as mitigation measures for all proposed projects. In order to ensure that these are implemented to minimize possible fugitive PM emissions, the BMPs are designated as mitigation measures.</p>	<p>Exposed soil surfaces shall be watered twice daily.</p> <p>Trucks carrying demolition debris shall be covered.</p> <p>Mud or dirt carried from construction areas shall be cleaned daily.</p> <p>Speed limit on unpaved roads shall be 15 mph.</p> <p>Areas planned for paving shall be completed as soon as possible.</p>	<p>Measures shown on plans, construction documents and ongoing during demolition, excavation and construction</p>	<p>Project Sponsor and Contractor(s)</p>	<p>PW/ CDD</p>
<p>a. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.</p> <p>b. All haul trucks transporting soil, sand, or other loose material off-site shall be covered.</p> <p>c. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.</p> <p>d. All vehicle speeds on unpaved roads shall be limited to 15 mph.</p> <p>e. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.</p>				

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>f. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.</p> <p>g. All construction equipment shall be maintained and properly tuned in accordance with manufacturer’s specifications. All equipment shall be checked by a certified visible emissions evaluator.</p> <p>h. Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District’s phone number shall also be visible to ensure compliance with applicable regulations.</p>	<p>Idling times shall be minimized.</p> <p>Construction equipment shall be property maintained.</p> <p>Point of contact for dust complaints shall be posted.</p>			

IMPACT BEING ADDRESSED: The Project at the West Campus could expose sensitive receptors to substantial TACs. (AQ-5)

<p><i>AQ-5.1 – Reduce Fleet-Wide Average DPM Emissions.</i> The Revised Project shall develop a plan that is approved by the City prior to issuance of building permits demonstrating that the off-road equipment (more than 50 horsepower) to be used for the West Campus construction (i.e., owned, leased, and subcontractor vehicles) would achieve a Revised Project wide fleet-average 35 percent PM reduction compared to the most recent CARB fleet average. Acceptable options for reducing emissions include the use of late model engines, low-emission diesel products, alternative fuels, engine retrofit technology, after-treatment products, add-on devices such as particulate filters, and/or other options as such become available.</p>	<p>Include in all construction contracts requirements to reduce the DPM emissions generated by heavy duty diesel-powered construction equipment.</p>	<p>Plan shall be submitted concurrently with building permit application.</p>	<p>Project Sponsor and Contractor(s)</p>	<p>CDD</p>
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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<i>IMPACT BEING ADDRESSED: Construction activities associated with the West Campus, in combination with other construction activities in the City, could generate dust or diesel emissions, thus exposing people to particulate matter. (C-AQ-3)</i>				

See Mitigation Measure AQ-3.1.

NOISE

IMPACT BEING ADDRESSED: Implementation of the Project at the West Campus could result in an increase in the exposure of people to noise in excess of the standards established in the General Plan or Municipal Code. (NO-1)

<i>NO-1.1 – Install Sound Enclosures Around Emergency Generators on the West Campus. The Project Sponsor shall reduce the sound level from the operating generators to a maximum sound level of 88 dBA at 23 feet (7 meters) from the enclosure. Measures that could accomplish this standard include, but are not limited to, installing sound enclosures around all emergency generators, or purchasing equipment that meets this standard.</i>	Install sound enclosures for emergency generators.	Prior to occupancy	Project Sponsor and Contractor(s)	CDD
<i>NO-1.2 – Limit Generator Testing to Daytime Hours on the West Campus. The Project Sponsor shall limit generator testing to between the hours of 8:00 a.m. and 6:00 p.m.</i>	Limit generator testing to daytime hours.	Ongoing during occupancy	Project Sponsor	CDD

IMPACT BEING ADDRESSED: The Project at the West Campus could result in levels of vibration that would disrupt operations at nearby vibration-sensitive land uses. (NO-2)

<i>NO-2.1 – Notify Nearby Businesses of Construction Activities on the West Campus that Could Affect Vibration-Sensitive Equipment. The Project Sponsor shall provide notification to property owners and occupants of vibration-sensitive buildings within 225 feet of general construction activities and 900 feet of pile-driving activities, prior to the start of construction at the West Campus, informing them of the estimated start date and duration of vibration-generating construction activities, such as would occur during site preparation, grading, and pile driving. This notification shall include information warning about potential for impacts related to vibration-sensitive equipment. The Project Sponsor shall provide a phone number for the property owners and</i>	Provide notification to adjacent property owners and occupants, informing them of the estimated start date and duration of vibration-generating construction activities.	Prior to construction	Project Sponsor	CDD
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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>occupants to call if they have vibration-sensitive equipment on their sites. A copy of the notification and any responses shall be provided to the Planning Division prior to building permit issuance.</p>				
<p><i>NO-2.2 – Implement Construction Best Management Practices to Reduce Construction Vibration on the West Campus.</i> If vibration-sensitive equipment is identified within 225 feet of general construction activities, including internal road construction or 900 feet of pile-driving activities on the West Campus, the Project Sponsor shall implement the following measures during construction:</p> <ul style="list-style-type: none"> • To the extent feasible, construction activities that could generate high vibration levels at identified vibration-sensitive locations shall be scheduled during times that would have the least impact on nearby land uses. This could include restricting construction activities in the areas of potential impact to the early and late hours of the work day, such as from 8:00 a.m. to 10:00 a.m. or 4:00 p.m. to 6:00 p.m. Monday to Friday. • Stationary sources, such as construction staging areas and temporary generators, shall be located as far from nearby vibration-sensitive receptors as possible. • Trucks shall be prohibited from idling along streets serving the construction site where vibration-sensitive equipment is located. 	<p>Implement construction best management practices to reduce construction vibration.</p>	<p>Measures shown on plans, construction documents and specification and ongoing through construction</p>	<p>Project Sponsor and Contractor(s)</p>	<p>CDD</p>

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
IMPACT BEING ADDRESSED: Construction of the Project at the West Campus would generate a short-term substantial increase in noise levels that would exceed ambient noise levels in the area. (NO-4)				
<p><i>NO-4.1 – Implement a Construction Noise Plan to Reduce Construction Noise on the West Campus.</i> The Project Sponsor shall submit a Construction Noise Plan for review and approval by the Planning and Building Divisions prior to the issuance of the demolition permit. The Project Sponsor shall implement the following measures during demolition and construction of the Revised Project:</p> <ul style="list-style-type: none"> To the extent feasible, the noisiest construction activities shall be scheduled during times that would have the least impact on nearby residential land uses. This would include restricting typical demolition and exterior construction activities to the hours of 8:00 a.m. to 6:00 p.m. Monday to Friday. Equipment and trucks used for Project construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures and acoustically attenuating shields or shrouds) wherever feasible. Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for Project construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures shall be used, such as drills rather than impact equipment, whenever feasible. 	<p>Schedule noisiest construction activities during times that will have the least impact on residential uses.</p> <p>Construction equipment shall use best available noise control techniques.</p> <p>Impact tools shall be hydraulically or electrically powered wherever possible.</p>	<p>Prior to issuance of demolition permit</p>	<p>Project Sponsor and Contractor(s)</p>	<p>CDD</p>

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<ul style="list-style-type: none"> • Prior to any pile-driving activities, notification shall be sent to all surrounding property owners and occupants within 300 feet of the Project site informing them of the estimated start date and duration. • Construction contractors, to the maximum extent feasible, shall be required to use “quiet” gasoline-powered compressors or other electric-powered compressors, and use electric rather than gasoline or diesel powered forklifts for small lifting. • Stationary noise sources, such as temporary generators, shall be located as far from nearby receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or other measures to the extent feasible. • Install temporary plywood noise barriers eight feet in height around the construction site to minimize construction noise to 90 dBA as measured at the applicable property lines of the adjacent uses, unless an acoustical engineer submits documentation that confirms that the barriers are not necessary to achieve the attenuation levels. • Trucks shall be prohibited from idling along streets serving the construction site. • Implement “quiet” pile driving technology (e.g., vibratory pile driving or pre-drilled pile holes), where feasible, in consideration of geotechnical and structural requirements and conditions. • Monitor the effectiveness of noise attenuation measures by taking noise measurements during pile driving activities. 	<p>Notification of pile driving activities shall be given to surrounding owners and occupants.</p> <p>Construction contractors shall be required to use “quiet” gasoline-powered compressors or other electric-powered equipment.</p> <p>Stationary noise sources shall be located as far from nearby receptors as possible, and they shall incorporate noise-reduction measures.</p> <p>Temporary plywood noise barriers shall be erected around the construction site unless deemed unnecessary by acoustical engineer.</p> <p>Trucks shall be prohibited from idling along streets.</p> <p>Quiet pile driving technology shall be implemented where feasible.</p> <p>Monitoring of noise attenuation measures shall be conducted.</p>			

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<i>IMPACT BEING ADDRESSED: The Project, in combination with other development within the City, could result in a substantial increase in exposure of persons to noise in excess of the standards established in the General Plan or Municipal Code. (C-NO-1)</i>				

See Mitigation Measure NO-1.1.

CULTURAL RESOURCES

IMPACT BEING ADDRESSED: The Project at the West Campus has the potential to encounter and damage or destroy previously unknown subsurface archaeological resources during construction. (CR-2)

<p><i>CR-2.1 – Perform Construction Monitoring, Evaluate Uncovered Archaeological Features, and Mitigate Potential Disturbance for Identified Significant Resources at the West Campus.</i> Prior to demolition, excavation, grading, or other construction-related activities on the West Campus, the applicant shall hire a qualified professional archaeologist (i.e., one who meets the Secretary of the Interior’s professional qualifications for archaeology or one under the supervision of such a professional) to monitor, to the extent determined necessary by the archaeologist, Project-related earth-disturbing activities (e.g., grading, excavation, trenching).</p> <p>In the event that any prehistoric or historic-period subsurface archaeological features or deposits, including locally darkened soil (“midden”), that could conceal cultural deposits, animal bone, obsidian, and/or mortar are discovered during demolition/ construction-related earth-moving activities, all ground-disturbing activity within 100 feet of the discovery shall be halted immediately, and the Planning and Building Divisions shall be notified within 24 hours. City staff shall consult with the Project archeologist to assess the significance of the find. Impacts on any significant resources shall be mitigated to a less-than-significant level through data recovery or other methods determined adequate by the City and that are consistent with the Secretary of the Interior's Standards for Archaeological Documentation.</p> <p>If Native American archaeological, ethnographic, or spiritual resources are discovered, all identification and treatment of</p>	<p>Retain a qualified archeologist to monitor project-related earth-disturbing activities.</p> <p>If any prehistoric or historic-period subsurface archaeological features or deposits are discovered during demolition/construction-related earth-moving activities, all ground-disturbing activity within 100 feet of the discovery shall be halted immediately, and the City of Menlo Park Community Development Department shall be notified within 24 hours.</p> <p>If any Native American resources are discovered, all</p>	<p>Prior to grading activities and ongoing during construction</p>	<p>Qualified Archaeologist retained by Project Sponsor</p>	<p>CDD</p>
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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>the resources shall be conducted by a qualified archaeologist and Native American representatives who are approved by the local Native American community as scholars of the cultural traditions. In the event that no such Native American is available, persons who represent tribal governments and/or organizations in the locale in which resources could be affected shall be consulted. When historic archaeological sites or historic architectural features are involved, all identification and treatment is to be carried out by historical archaeologists or architectural historians who meet the Secretary of the Interior’s professional qualifications for archaeology and/or architectural history.</p>	<p>identification and treatment of the resources shall be conducted by a qualified archaeologist and Native American representatives who are approved by the local Native American community.</p>			
<p><i>IMPACT BEING ADDRESSED: The Project at the West Campus has the potential to directly or indirectly destroy a unique paleontological resource or site or unique geologic feature. (CR-3)</i></p>				
<p><i>CR-3.1 – Conduct Protocol and Procedures for Encountering Paleontological Resources at the West Campus.</i> Prior to the start of any subsurface excavations that would extend beyond previously disturbed soils, all construction forepersons and field supervisors shall receive training by a qualified professional paleontologist, as defined by the Society of Vertebrate Paleontology (SVP), who is experienced in teaching non-specialists, to ensure they can recognize fossil materials and will follow proper notification procedures in the event any are uncovered during construction. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who will evaluate its significance.</p> <p>If a fossil is determined to be significant and avoidance is not feasible, the paleontologist will develop and implement an excavation and salvage plan in accordance with SVP standards. Construction work in these areas shall be halted or diverted to allow recovery of fossil remains in a timely manner. Fossil remains collected during the monitoring and salvage portion of the mitigation program shall be cleaned, repaired, sorted, and cataloged. Prepared fossils, along with</p>	<p>Training by a qualified professional paleontologist shall be provided to construction personnel to ensure fossil materials can be recognized and proper procedures are followed.</p> <p>If paleontological materials are discovered and are significant, an excavation and salvage plan shall be developed and construction in the affected area shall be halted.</p>	<p>Prior to grading activities and ongoing during construction</p>	<p>Qualified Paleontologist retained by Project Sponsor and Project Sponsor</p>	<p>CDD</p>

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>copies of all pertinent field notes, photos, and maps, shall then be deposited in a scientific institution with paleontological collections. A final Paleontological Mitigation Plan Report shall be prepared that outlines the results of the mitigation program. The City shall be responsible for ensuring that monitor’s recommendations regarding treatment and reporting are implemented.</p>				
<p>IMPACT BEING ADDRESSED: The Project at the West Campus has the potential to the potential to encounter or discover human remains during excavation or construction in the Project area. (CR-4)</p>				
<p><i>CR-4.1 – Comply with State Regulations Regarding the Discovery of Human Remains at the West Campus.</i> If human remains are discovered during any construction activities, all ground-disturbing activity within 50 feet of the remains shall be halted immediately, and the County Coroner shall be notified immediately, according to Section 5097.98 of the State Public Resources Code and Section 7050.5 of California’s Health and Safety Code. Additionally, the Building Division shall be notified.</p> <p>If the remains are determined by the County Coroner to be Native American, the Native American Heritage Commission (NAHC) shall be notified within 24 hours, and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. The Project Sponsor shall also retain a professional archaeologist with Native American burial experience to conduct a field investigation of the specific site and consult with the Most Likely Descendant, if any, identified by the NAHC. As necessary, the archaeologist may provide professional assistance to the Most Likely Descendant, including the excavation and removal of the human remains. The Planning Division shall be responsible for approval of recommended mitigation as it deems appropriate, taking account of the provisions of state law, as set forth in CEQA Guidelines Section 15064.5(e) and Public Resources Code Section 5097.98. The applicant shall implement approved mitigation, to be verified by the</p>	<p>If human remains are discovered during any construction activities, all ground-disturbing activity within 50 feet of the remains shall be halted immediately, and the County Coroner shall be notified immediately.</p> <p>If remains are determined to be Native American, NAHC guidelines shall be followed and a qualified archaeologist shall determine the Most Likely Descendant.</p>	<p>On-going during construction</p>	<p>Qualified Archeologist retained by the Project Sponsor</p>	<p>CDD</p>

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
Planning Division, before the resumption of ground-disturbing activities within 50 feet of where the remains were discovered.				

IMPACT BEING ADDRESSED: *Construction activities on the West Campus and other cumulative development could result in impacts to archaeological resources. (C-CR-2)*

See Mitigation Measure CR-2.1, CR-3.1, and CR-4.1.

BIOLOGICAL RESOURCES

IMPACT BEING ADDRESSED: *The Project at the West Campus could have a potentially significant impact, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service. (BR-1)*

<p><i>BR-1.1 – Identify and protect roosting and breeding bats on the West Campus and provide alternative roosting habitat.</i> The Project Sponsor shall implement the following measures to protect roosting and breeding bats found in a tree or structure to be removed with implementation of the Revised Project:</p> <ol style="list-style-type: none"> 1. Prior to tree removal or demolition activities on the West Campus site, the Project Sponsor shall retain a qualified biologist to conduct a focused survey for bats and potential roosting sites within buildings to be demolished or trees to be removed. The surveys can be conducted by visual identification and can assume presence of hoary bats or the bats can be identified to a species-level with the use of a bat echolocation detector such as an “Anabat” unit. If no roosting sites or bats are found, a letter report confirming absence shall be sent to the California Department of Fish and Game (CDFG) and no further mitigation is required. If roosting sites or hoary bats are found, then the following monitoring, and exclusion, and habitat replacement measures shall be implemented. The letter or surveys and supplemental documents shall be provided to the City prior to demolition permit issuance. 	<p>Retain a qualified biologist to conduct a focused survey for bats and potential roosting sites within buildings to be demolished or trees to be removed.</p>	<p>Prior to building demolition or tree removal</p>	<p>Qualified Biologist retained by Project Sponsor</p>	<p>CDD</p>
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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>a. If bats are found roosting outside of nursery season (May 1st through October 1st), then they shall be evicted as described under (b) below. If bats are found roosting during the nursery season, then they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or monitoring the roost after the adults leave for the night to listen for bat pups. If the roost is determined to not be a maternal roost, then the bats shall be evicted as described under (b). Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. A 250-foot (or as determined in consultation with the Department of Fish and Game) buffer zone shall be established around the roosting site within which no construction or tree removal shall occur.</p> <p>b. Eviction of bats shall be conducted using bat exclusion techniques, developed by Bat Conservation International (BCI) and in consultation with the Department of Fish and Game that allow the bats to exit the roosting site but prevent re-entry to the site. This would include, but not be limited to, the installation of one way exclusion devices. The devices shall remain in place for seven days and then the exclusion points and any other potential entrances shall be sealed. This work shall be completed by a BCI recommended exclusion professional. The exclusion of bats shall be timed and carried concurrently with any scheduled bird exclusion activities.</p>	<p>If bats are found, monitored to determine nature of roost or evict using BCI techniques.</p>			

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Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>c. The loss of each roost (if any) will be replaced in consultation with the Department of Fish and Game and may include construction and installation of BCI-approved bat boxes suitable to the bat species and colony size excluded from the original roosting site. Roost replacement will be implemented before bats are excluded from the original roost sites. Once the replacement roosts are constructed and it is confirmed that bats are not present in the original roost site, the structures may be removed or sealed.</p>	<p>Replace any loss of roost in consultation with CDFG.</p>			
<p><i>BR-1.2 – Conduct preconstruction surveys for burrowing owls. No more than 30 days prior to the commencement of ground disturbing activities in the area of potentially suitable burrowing owl habitat on the West Campus, a preconstruction burrowing owl survey in compliance with California Burrowing Owl Consortium protocols shall be conducted to ensure that no owls have moved onto the Project site. If owls are detected during the survey, additional measures are required. These measures include the following: (1) occupied burrows should not be disturbed during the burrowing owl breeding season, defined as February 1 through August 31, unless a qualified biologist approved by CDFG verifies through non-invasive methods that either the birds have not begun egg-laying and incubation, or that juveniles from the occupied burrows are foraging independently and are capable of independent survival; (2) owls on the site are passively relocated.</i></p>	<p>Conduct burrowing owl survey in compliance with California Burrowing owl Consortium protocols.</p>	<p>30 days prior to ground disturbance</p>	<p>Qualified Biologist retained by Project Sponsor</p>	<p>CDD</p>

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<i>IMPACT BEING ADDRESSED: The Project at the West Campus would result in potentially significant indirect effects on special-status bird and mammal species inhabiting the adjacent salt and brackish water marshes due to increased raptor predation. (BR-2)</i>				
<p><i>BR-2.1 – Landscaping Restrictions and Installation of Bird Perching Deterrents on all New Buildings and Other Elevated Structures on the West Campus.</i> The Project Sponsor shall implement the following measures to reduce impacts to special-status marsh species:</p> <ol style="list-style-type: none"> For all new buildings to be constructed on the West Campus, the Project Sponsor shall install bird deterrents along suitable perching sites that would allow raptors or other predatory birds a vantage point from which to prey on western snowy plover, salt marsh harvest mouse, or other special-status species potentially inhabiting the adjacent salt marshes. Such deterrents may include one or more of the following deterrent devices as appropriate for the individual situation: bird spikes, bird netting, electric shock track, sound deterrents, or other devices approved by CDFG and/or USFWS. Trees used for landscaping on the West Campus shall consist of species that generally do not reach heights of greater than 30 feet or shall be spaced at appropriate distances to reduce potential lines of sight and limit the distance perching birds could see into the adjacent salt marshes to the north. The landscaping trees may include native or non-invasive ornamental species. Species with broad canopies would be preferred, as tall narrow canopies (e.g., palms or conifers) generally provide better hunting perches for raptors. 	<p>Install bird deterrents along suitable perching sites on buildings.</p> <p>Trees shall consist of species that generally do not reach heights of greater than 30 feet or shall be spaced appropriately</p>	<p>Prior to occupancy</p> <p>Prior to occupancy</p>	<p>Project Sponsor</p> <p>Project Sponsor</p>	<p>CDD</p> <p>CDD</p>
<i>IMPACT BEING ADDRESSED: The removal of trees, shrubs, or woody vegetation with implementation of the Project at the West Campus would have a potentially significant impact on the movement of native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites. In addition, Project buildings and lighting at the West Campus would have the potential to injure or cause death to birds from collision and other factors. (BR-4)</i>				
<p><i>BR-4.1 – Identify and Protect Nesting Migratory Birds at the West Campus.</i> The Project Sponsor shall implement the</p>	<p>Prepare nesting bird survey if trees, shrubs, or weedy</p>	<p>Prior to grading and construction.</p>	<p>Project Sponsor</p>	<p>CDD</p>

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>following measures to reduce impacts to nesting migratory birds:</p> <p>a. To facilitate compliance with State and federal law (Fish and Game Code and the Migratory Bird Treaty Act (MBTA) and prevent impacts to nesting birds, the Project Sponsor shall avoid the removal of trees, shrubs, or weedy vegetation February 1 through August 31 during the bird nesting period. If no vegetation or tree removal is proposed during the nesting period, no surveys are required. If it is not feasible to avoid the nesting period, a survey for nesting birds shall be conducted by a qualified wildlife biologist no earlier than seven days prior to the removal of trees, shrubs, weedy vegetation, buildings, or other construction activity.</p> <p>b. Survey results shall be valid for the tree removals for 21 days following the survey. If the trees are not removed within the 21-day period, then a new survey shall be conducted. The area surveyed shall include all construction areas as well as areas within 150 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist.</p> <p>In the event that an active nest for a protected species of bird is discovered in the areas to be cleared, or in other habitats within 150 feet of construction boundaries, clearing and construction shall be postponed for at least two weeks or until the biologist has determined that the young have fledged (left the nest), the nest is vacated, and there is no evidence of second nesting attempts.</p>	<p>vegetation will be removed between February 1 through August 31.</p>			
<p><i>BR-4.2 – Implement Bird-Safe Design Standards into West Campus Building and Lighting Design.</i> All new buildings and lighting features constructed or installed at the West Campus shall be implemented to at least a level of “Select Bird-Safe Building” standards as defined in the City of San Francisco Planning Department’s “Standards for Bird-Safe Buildings,” adopted July 14, 2011. These design features shall include</p>	<p>Implement Bird-Safe Design Standards into building and lighting design on the West Campus.</p>	<p>Prior to issuance of building permit for building shell</p>	<p>Project Sponsor</p>	<p>CDD</p>

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
minimization of bird hazards as defined in the standards. With respect to lighting, the West Campus shall: <ul style="list-style-type: none"> • Be designed to minimize light pollution including light trespass, over-illumination, glare, light clutter, and skyglow while using bird-friendly lighting colors when possible. • Avoid uplighting, light spillage, event search lights, and use green and blue lights when possible. • Turn off unneeded interior and exterior lighting from dusk to dawn during migrations: February 15 through May 31 and August 15 through November 30. • Include window coverings on rooms where interior lighting is used at night that adequately block light transmission and motion sensors or controls to extinguish lights in unoccupied spaces. 	Implement Bird-Safe Design Standards into building and lighting design on the West Campus.	For duration of use of building	Project Sponsor	CDD

HYDROLOGY AND WATER QUALITY

IMPACT BEING ADDRESSED: The Project at the West Campus would place structures in a SFHA. (HY-2)

<p><i>HY-2.1 – Prepare and Obtain a Conditional Letter of Map Revision – Fill (CLOMR-F) from FEMA Prior to Issuance of a Grading or Building Permit.</i> Concurrent with the first building permit submittal for the West Campus, the Project Sponsor shall submit a FEMA CLOMR-F application to the Public Works Department for review and approval. In accordance with the National Flood Insurance Program (NFIP) (Code of Federal Regulations (CFR) 44 Part 65), Section 65.6 (Revision of base flood elevation determinations), the Project Sponsor shall prepare supporting data, including relevant hydraulic and hydrologic analyses, delineation of floodplain boundaries and all other information required by FEMA to review and evaluate the request for a CLOMR-F. The analyses shall clearly show revised and new floodplain boundaries, for the Project area and adjacent areas not affected by the revision, taking into account San</p>	Prepare and obtain a CLOMR-F from FEMA and submit an elevation certificate to the City for the proposed structure.	Prior to the issuance of a grading or building permit	Project Sponsor	PW/CDD
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Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>Francisco Bay coastal floodplain maps being prepared by the U.S. Army Corps of Engineers for the San Francisquito Creek JPA-sponsored project, if such maps have been adopted by FEMA. Upon receiving City approval, the Project Sponsor shall submit the CLOMR-F application to FEMA. Prior to issuance of any grading or building permit on each site, the applicant shall obtain a CLOMR-F from FEMA. The applicant shall submit an elevation certificate prior to final signoff of the foundation inspection for each structure.</p>				

IMPACT BEING ADDRESSED: The Project at the West Campus could expose people to flooding from climate change-induced sea level rise. (HY-4)

<p><i>HY-4.1 – Floodproofing of West Campus Underground Infrastructure.</i> Prior to, or at a minimum concurrent with, the issuance of the first construction activity permit at the West Campus and in connection with applicable FEMA requirements, the City shall ensure that the Revised Project incorporates design features to flood-proof below-ground infrastructure, including storm drains, sewers, equipment facilities, to withstand hydrostatic forces and buoyancy from sea level rise changes in groundwater levels.</p>	<p>Incorporate design features to flood-proof below-ground infrastructure.</p>	<p>Prior to, or concurrent with, the issuance of the first construction permit</p>	<p>Project Sponsor</p>	<p>CDD</p>
<p><i>HY-4.2 – Provide Adequate Storm Flow Conveyance Capacity For Sea Level Rise Conditions at the West Campus.</i> Prior to, or at a minimum concurrent with, the issuance of the first construction activity permit at the West Campus, the City shall ensure that the Revised Project incorporates design features to ensure that the storm drain system conveyance capacity is not constricted by sea level rise at the outlets, including the Caltrans pump station.</p>	<p>Incorporate design features to ensure that storm drain system conveyance capacity is not constricted by sea level rise.</p>	<p>Prior to, or concurrent with, the issuance of the first construction permit</p>	<p>Project Sponsor</p>	<p>CDD</p>

HAZARDS AND HAZARDOUS MATERIALS

IMPACT BEING ADDRESSED: The Project at the West Campus could expose people to residual contaminants in soil and/or groundwater. (HM-2)

<p><i>HM-2.1 – Update Operation, Maintenance, and Monitoring Plan (OMMP) for the West Campus.</i> Prior to commencement of site grading on the West Campus, the Project Sponsor shall retain a qualified professional to update the OMMP to</p>	<p>Update the OMMP.</p>	<p>Prior to site grading</p>	<p>Qualified professional retained by the Project Sponsor</p>	<p>CDD</p>
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Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>required under Article IV Section 4.2 of the LUC, and in accordance with the applicable terms of the VCA. The City shall not authorize any activity on the West Campus that has the potential to disturb soil until DTSC has approved the updated Health and Safety Plan and all necessary permits have been obtained.</p>				(SMCHS)
<p><i>HM-2.3 – West Campus Construction Activity Dust Control Plan (DCP) and Asbestos Dust Management Plan (ADMP).</i> Prior to commencement of site grading on the West Campus, the Project Sponsor shall retain a qualified professional to prepare a DCP/ADMP. The DCP shall incorporate the applicable BAAQMD pertaining to fugitive dust control. The ADMP shall be submitted to and approved by the BAAQMD prior to the beginning of construction, and the Project Sponsor must ensure the implementation of all specified dust control measures throughout the construction of the Project. The ADMP shall require compliance with specific control measures to the extent deemed necessary by the BAAQMD to meet its standard.</p>	Prepare a DCP/ADMP	Prior to site grading	Qualified professional retained by the Project Sponsor	CDD/ BAAQMD
<p><i>HM-2.4 – West Campus Construction Activity Groundwater Management Plan.</i> Prior to site grading on the West Campus, the Project Sponsor shall retain a qualified professional to prepare a Groundwater Management Plan that describes how any groundwater extracted to accommodate site preparation will be tested and disposed of in accordance with existing regulations. The City shall not authorize any activity on the West Campus that would involve dewatering until DTSC has approved the Groundwater Management Plan and all necessary permits or approvals have been obtained, particularly if groundwater requires additional treatment and/or disposal at a permitted facility.</p>	<p>Prepare a Groundwater Management Plan</p> <p>Obtain necessary permits and/or approvals</p>	<p>Prior to site grading</p> <p>Prior to site grading</p>	<p>Qualified professional retained by the Project Sponsor</p> <p>Project Sponsor</p>	<p>CDD/DTSC</p> <p>CDD/ PW</p>
<p><i>HM-2.5 – Soil Vapor Intrusion Barrier at the West Campus.</i> Prior to the issuance of the first building permit for the first occupied structure at the West Campus, the Project Sponsor shall retain a qualified professional to design a vapor</p>	Design a vapor intrusion barrier system	Prior to issuance of the first building permit	Qualified professional retained by the	CDD/ DTSC/ City Engineer

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>intrusion barrier system consistent with the recommendations set forth in “Phase I Environmental Site Assessment, 312–314 Constitution Drive, Menlo Park, California” dated November 19, 2010, prepared by Cornerstone Earth Group. The City shall not issue a building permit until the vapor intrusion barrier design has been reviewed and approved by DTSC and the City Engineer has reviewed the final design plans to ensure the necessary features have been incorporated into the Revised Project. Such measures could include, but would not be limited to, gas-impermeable membranes.</p> <p>Appropriate measures shall also be incorporated into Revised Project design to reduce vapor and groundwater migration through trench backfill and utility conduits. Such measures could include placement of low-permeability backfill plugs.</p>	<p>Incorporate measures to reduce vapor and groundwater migration</p>	<p>During construction</p>	<p>Project Sponsor Project Sponsor</p>	<p>CDD/PW</p>
<p><i>HM-2.6 – Corrosion-Resistant Utility Pipeline Design for the West Campus.</i> Prior to, or at a minimum concurrent with the issuance of utility improvement plan permits, the Project Sponsor shall retain a qualified licensed professional engineer to determine protective measures for utilities. The City shall not issue any permit for utility construction until the City Engineer has reviewed the final design plans to ensure the necessary corrosion-resistant features have been incorporated into the Revised Project.</p>	<p>Determine and implement protective measures for utilities.</p>	<p>Prior to, or concurrent with, issuance of utility improvement plan permits</p>	<p>Qualified licensed professional engineer retained by the Project Sponsor</p>	<p>CDD/ City Engineer/ PW</p>
<p><i>HM-2.7 – Stormwater Quality BMPs.</i> The Project Sponsor shall ensure on-site detention/retention basins are lined to prevent groundwater interaction with stormwater and to prevent downward migration of stormwater into groundwater.</p>	<p>Line detention/retention basins</p>	<p>During construction</p>	<p>Project Sponsor</p>	<p>CDD/ PW</p>
<p><i>HM-2.8 – Construction Stormwater Pollution Prevention Plan for the West Campus.</i> The City shall not issue any permit for grading until a stormwater pollution prevention plan (SWPPP) has been completed to the satisfaction of the City and necessary construction BMPs have been incorporated into the Revised Project.</p>	<p>Complete a SWPPP and incorporate necessary construction BMPs</p>	<p>Prior to issuance of a grading permit</p>	<p>Project Sponsor</p>	<p>CDD/ PW</p>

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
<p>IMPACT BEING ADDRESSED: <i>Soil movement during construction of the Project at the West Campus could expose ecological receptors to residual contaminants in soil and/or groundwater if measures are not implemented to control contaminants. (HM-3)</i></p>				
<p>See Mitigation Measure HM-2.1.</p>				
<p>IMPACT BEING ADDRESSED: <i>Maintenance activities at the West Campus could have a potentially significant potential to disturb soil containing residual contaminants. (HM-5)</i></p>				
<p><i>HM-5.1 – Record Additional Restrictions.</i> The Project Sponsor shall ensure that the updated OMMP (Mitigation Measure HM-2.1) includes provisions for disclosing information in DTSC-approved remediation reports along with any other requirements pertaining to post-construction, long-term operation and maintenance of subsurface utilities or maintenance or repair of foundations. Any such documentation shall be recorded in the Office of the County Recorder and a copy shall be provided to the City.</p>	<p>Ensure OMMP includes provisions for disclosing information</p>	<p>Concurrent with development of the OMMP</p>	<p>Project Sponsor</p>	<p>CDD/ DTSC/ Office of the County Recorder</p>
<p>UTILITIES</p>				
<p>IMPACT BEING ADDRESSED: <i>The existing sanitary sewer system serving the Project site would not have sufficient capacity to accommodate the Project. (UT-3)</i></p>				
<p><i>UT-3.1 – Sanitary Sewer System Improvements.</i> The Project Sponsor shall upsize 114 linear feet of the existing 12-inch diameter pipeline that runs north along Hamilton Avenue, beginning at the Hamilton Avenue/Willow Road intersection, to a 15-inch-diameter pipe. To ensure that this work is completed, the Project Sponsor shall enter into an agreement with the City concurrently with granting of land use entitlements for the East Campus and post a bond equal to 200 percent of the estimated cost of the work. In addition, the Project Sponsor shall purchase a third wastewater pump to be placed into reserve in case of pump failure at Hamilton Henderson Pump Station (HHPS). To ensure this work is completed, the Project Sponsor shall enter into an agreement with the City concurrently with granting of land use entitlements for the East Campus and post a bond equal to</p>	<p>Post a bond and enter into an agreement with the City for upsize the existing 12-inch diameter pipeline that runs north along Hamilton Avenue to a 15-inch diameter pipe.</p> <p>Post a bond and enter into an agreement with the City to purchase a wastewater pump for West Bay Sanitary District</p>	<p>Concurrent with granting of land use entitlements</p> <p>Concurrent with granting of land use entitlements</p>	<p>Project Sponsor</p> <p>Project Sponsor</p>	<p>PW and West Bay Sanitary District</p> <p>PW and West Bay Sanitary District</p>

Menlo Park Facebook Campus – West Campus Mitigation Monitoring and Reporting Program

Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
120 percent of the cost of the wastewater pump.				

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK REZONING PROPERTIES LOCATED AT 312 AND 313
CONSTITUTION DRIVE**

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

SECTION 1. The zoning map of the City of Menlo Park is hereby amended such that certain real properties with the addresses of 312 Constitution Drive and 313 Constitution Drive (Assessor's Parcel Numbers 055-260-210 and 055-260-220) are rezoned from M-2 (General Industrial District) to M-2(X) (General Industrial, Conditional Development District) as more particularly described and shown in Exhibit "A." This rezoning is consistent with the existing General Plan land use designation of Limited Industry for the property.

SECTION 2. This ordinance shall become effective thirty (30) days after the date of its adoption. Within fifteen (15) days of its adoption, the ordinance shall be posted in three (3) public places within the City of Menlo Park, and the ordinance, or a summary of the ordinance prepared by the City Attorney, shall be published in a local newspaper used to publish official notices for the City of Menlo Park prior to the effective date.

INTRODUCED, PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the twenty-sixth day of March, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

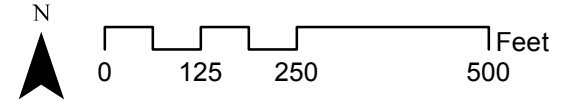
Peter Ohtaki
Mayor, City of Menlo Park

ATTEST:

Margaret S. Roberts, MMC
City Clerk

CITY OF MENLO PARK

FACEBOOK CAMPUS PROJECT - WEST CAMPUS
312 AND 313 Constitution Drive



REZONING: M-2 (General Industrial) to
M-2(X) (General Industrial, Conditional Development)

STATE HIGHWAY 84 (BAYFRONT EXPRESSWAY)

055260210

055260220

WILLOW

HAMILTON

VENDERSON

WINDERMERE



HOLLYBURNE

SEVIER

MADERA

CARLTON

Legend

-  Project Parcels
-  Other Parcels

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK APPROVING A CONDITIONAL DEVELOPMENT PERMIT FOR
THE PROPERTY LOCATED AT 312 AND 313 CONSTITUTION DRIVE**

WHEREAS, the City of Menlo Park ("City") received an application from Giant Properties, LLC ("Developer"), to redevelop the property located at 312 and 313 Constitution Drive ("Property") by demolishing two existing buildings totaling approximately 127,246 square feet and developing the Property with one building, the height of which may not exceed 73 feet, totaling no more than 433,656 square feet in one floor plate over approximately 1,499 parking spaces; and

WHEREAS, the Conditional Development Permit runs with the land and the Property would continue to be subject to its limitations; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the Planning Commission of the City of Menlo Park on February 25, 2013 whereat all persons interested therein might appear and be heard; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve an Conditional Development Permit; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the City Council of the City of Menlo Park on March 19, 2013 whereat all persons interested therein might appear and be heard.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby approves the Conditional Development Permit for the Property attached hereto as Exhibit A and incorporated herein by this reference.

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-sixth day of March, 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-sixth day of March, 2013.

Margaret S. Roberts, MMC
City Clerk

DRAFT**CONDITIONAL DEVELOPMENT PERMIT****312 and 313 Constitution Drive**

1. GENERAL INFORMATION:

- 1.1 Applicant: Giant Properties, LLC (and its successors and assigns)
- 1.2 Nature of Project: Rezoning, Conditional Development Permit, 312 and 313 Constitution Drive Development Agreement, Below Market Rate Housing Agreement, Lot Line Adjustment, Heritage Tree Removal Permits and Environmental Impact Report (EIR) Addendum for the demolition of two buildings totaling approximately 127,246 square feet and the subsequent redevelopment of the Project Site with one building totaling no more than 433,656 square feet over approximately 1,499 parking spaces (Project). For purposes of determining the Floor Area Ratio, building coverage and building setbacks for the Project, the two parcels comprising the Project Site shall be considered to be one parcel.
- 1.3 Project Location (Project Site and/or West Campus): 312 and 313 Constitution Drive
- 1.4 Assessor's Parcel Numbers: 055-260-210 and 055-260-220
- 1.5 Area of Project Site: Two parcels totaling 22.12 acres (963,682 square feet)
- 1.6 Zoning: M-2(X) (General Industrial, Conditional Development)
- 1.7 Conditions Precedent: Applicant's obligations as set forth herein are expressly conditioned on the resolution of all legal challenges, if any, to the EIR Addendum and/or the Project. If no litigation or referendum is commenced challenging the EIR Addendum and/or the Project, Applicant's obligations will vest on the passing of all applicable statutes of limitation.

2. DEVELOPMENT STANDARDS:

- 2.1 Floor Area Ratio (FAR) shall not exceed **45 percent** of the Project Site.
- 2.2 Building coverage shall not exceed **55 percent** of the Project Site.
- 2.3 Building setbacks shall be in accordance with the approved plans, and in no case shall the minimum setback be less than **40 feet** from each property line.
- 2.4 Building height, inclusive of temporary structures, shall not exceed **73 feet**. All heights shall be measured from the average level of the highest and lowest point of the finished grade of that portion of the lot covered by the structure

(height excludes elevator equipment rooms, ventilating and air conditioning equipment and associated screening).

- 2.5 The on-site circulation and parking spaces shall be maintained consistent with the approved plans, and in no case inclusive of less than of **1,446** parking spaces, installed in a manner that is substantially in compliance with the Project Plans (defined below).
- 2.6 All rooftop equipment shall be fully screened and integrated into the design of the building. Roof-top equipment shall comply with noise requirements in Chapter 8.06, Noise, of the Municipal Code.

3. USES:

- 3.1 The development is comprised of one building totaling no more than 433,656 square feet of gross floor area on top of surface parking, with a roof garden that is accessible to occupants of the building. Permitted uses on the Project Site shall include the following:
 - 3.1.1 Administrative and professional offices, excluding medical/dental offices serving the general population;
 - 3.1.2 Medical and dental uses to serve on-site employees and contractors is permissible;
 - 3.1.3 General industrial uses including but not limited to warehousing, manufacturing, printing and assembling;
 - 3.1.4 Amenities and related uses intended to serve employees, contractors, and visitors, such as neighborhood-serving convenience retail, banks, community facility space, fitness facilities and restaurants, including those that serve alcoholic beverages;
 - 3.1.5 Outdoor seating and tables (including those intended to be used for the consumption of food and beverages), temporary structures, and events associated with those uses listed above on the Project Site including on the roof, subject to approved building permits and Fire District permits, as applicable;
 - 3.1.6 Activities involving the use of hazardous materials, such as emergency power generators, incidental to those uses listed above and subject to an approved Hazardous Materials Business Plan, Building Permit, San Mateo County Health Permit, and Menlo Park Fire Protection District permit; and
 - 3.1.7 Cellular telecommunications facilities if fully screened or integrated into the design of the building.
- 3.2 Conditional uses listed in the M-2 zoning district may be conditionally permitted through a use permit process, unless otherwise allowed in Section 3.1.

4 SIGNS:

The maximum permissible sign area for the Project Site is 300 square feet. Vehicular directional signage and signage not visible from the public right-of-way shall not count against the maximum sign areas and is only subject to building permit review. The square footage, location and materials for all signage that counts towards the maximum permissible sign area shall be subject to review and approval by the Planning Division through the Sign Permit process, with an application and applicable filing fees.

5. RECORDATION:

- 5.1 Concurrently with the recordation of the 312 and 313 Constitution Drive Development Agreement, the City shall record the Conditional Development Permit in the Official Records of the County of San Mateo, State of California.
- 5.2 The Conditional Development Permit shall be in full force and effect on the Effective Date of the 312 and 313 Constitution Drive Development Agreement.

6. MODIFICATIONS:

- 6.1 Modifications to the approved Project may be considered according to the following four tier review process:
 - 6.1.1 Substantially Consistent Modifications are made at the staff level. Substantially Consistent Modifications are changes to or modifications of the Project that are in substantial compliance with and/or substantially consistent with the Project Plans and the Project Approvals. Substantially Consistent Modifications are generally not visible to the public and do not affect permitted uses, density or intensity of use, restrictions and requirements relating to subsequent discretionary actions, monetary obligations, conditions or covenants limiting or restricting the use of the Property or similar material elements based on the determination that the proposed modification(s) is consistent with other building and design elements of the approved Conditional Development Permit, and will not have an adverse impact on the character and aesthetics of the Property. In addition, changes to the sequencing of construction permits related to the Project will be considered a Substantially Consistent Modification. The determination as to whether a requested change is a Substantially Consistent modification will be made by the Community Development Director (in his/her reasonable discretion).
 - 6.1.2 Minor Modifications are made at the staff level, but the Planning Commission is provided information regarding these modifications. The determination as to whether a requested change is a Minor Modification is determined by the Community Development Director (in his/her reasonable discretion). A Minor Modification is similar in

nature to a Substantially Consistent Modification, except that Minor Modifications generally are visible to the public and result in minor exterior changes to the Project aesthetics. Any member of the Commission may request within seven (7) days of receipt of the informational notice that the item(s) be reviewed by the Planning Commission.

- 6.1.3 Major Modifications are reviewed by the Planning Commission as a Regular Business item, and publicly noticed. Major Modifications are changes or modifications to the Project that are not in substantial compliance with and/or substantially consistent with the Project Plans and Project Approvals. Major modifications include, but are not limited to, significant changes to the exterior appearance of the buildings or appearance of the Property, and changes to the Project Plans, which are determined by the Community Development Director (in his/her reasonable discretion) to not be in substantial compliance with and/or substantially consistent with the Project Plans and Project Approvals. The Planning Commission's decision shall be based on the determination that the proposed modification is compatible with other building and design elements or onsite/offsite improvements of the Conditional Development Permit and would not have an adverse impact on safety and/or the character and aesthetics of the site. Planning Commission decisions on Major Modifications may be appealed to the City Council. City Council shall have final authority to approve Major Modifications. Major Modifications that also require Conditional Development Permit Amendments (see Section 6.14 below) shall be considered in accordance with Section 6.1.4.
- 6.1.4 Conditional Development Permit Amendments are reviewed by the Planning Commission and the City Council. Conditional Development Permit Amendments are required where the Applicant seeks revisions to the Project which involve (a) the relaxation of the development standards identified in Section 2, (b) material changes to the uses identified in Section 3, (c) exceedance of the maximum permissible signage area identified in Section 4, or (d) material modifications to the conditions of approval identified in Sections 7, 9, 10, 11, and 12. Such revisions may also require modifications to 312 and 313 Constitution Drive Development Agreement. If the Applicant wishes to make a change that requires an amendment to this Conditional Development Permit, it shall apply, in writing, to the Planning Division for review and recommendation to the Planning Commission. The Planning Commission shall then forward its recommendation to the City Council for revision(s) to the Conditional Development Permit.

For purposes of clarification, Substantially Consistent Modifications, Minor Modifications and Major Modifications will not constitute Conditional

Development Permit amendments or require modifications to the 312 and 313 Constitution Drive Development Agreement.

7. TRIP CAP:

7.1 To minimize environmental and community impacts resulting from utilization of the Project Site, Applicant shall enforce a trip cap.

7.1.1. Trip Cap: The trip cap sets the maximum number of morning and evening peak period trips and daily trips (Trip Cap). The parameters and requirements of the Trip Cap are specified in the West Campus Trip Cap Monitoring and Enforcement Policy, which is included as Exhibit A and incorporated herein.

7.1.2. Implementation: The Trip Cap count equipment shall be installed and in good working order prior to occupancy of the West Campus, unless otherwise approved, to the satisfaction of the Public Works Director.

8. CONSTRUCTION PERMITS SEQUENCING:

8.1 The following outlines the basic sequencing of construction permits related to the Project. Completion of each phase (e.g., the Voluntary Remediation Work, the Make Ready Work, etc.) is required to proceed to the next phase, with the exception of the access improvements and, to the limited extent set forth below, the address change. Application for any given permit must be accompanied by all required documentation and complete plan sets. Changes to the sequencing of construction permits related to the Project will be considered a Substantially Consistent Modification and be subject to the procedure outlined in Section 6.1.1.

8.1.1 **Voluntary Remediation Work**: The Applicant shall comply with one of the following two options (the Applicant shall have the option of proceeding with either of these options):

8.1.1.1 The Building Permit (BLD2012-01125) for voluntary remediation work shall be finalized. This requires the provision of appropriate documentation from the Department of Toxic Substance Control (DTSC) indicating that DTSC has accepted and approved the voluntary remediation work.

8.1.1.2 The Applicant may complete the voluntary remediation work in phases. In this case, the Applicant shall:

8.1.1.2.1 Prepare a remediation phasing plan to the satisfaction of DTSC and the Building Official. This plan will provide a procedure for completing the voluntary remediation in phases and for obtaining DTSC's approval of phases on a sequential basis;

8.1.1.2.2 Receive approval from DTSC and the Building Official to complete the voluntary remediation work in phases; and

8.1.1.2.3 Provide appropriate documents from DTSC (such as a letter on DTSC letterhead) indicating that DTSC has accepted and provided conditional approval of the phases that the City

reasonably requires be completed before the Applicant may proceed with the Make Ready Work (as discussed in section 8.1.3 below) and the remainder of the Project. Portions of the Make Ready Work and Demolition Work may be completed if that phase of the remediation work has been given conditional approval by DTSC and completed to the satisfaction of the Building Official.

- 8.1.2 **Address Change:** The site address change shall be completed prior to submittal of any building permits associated with the Main Construction Phase. Among other things, this means that the lot line adjustment affecting the re-parcelization of the Project Site and described in Section 11 of this Conditional Development Permit must be complete. The address change phase may be processed simultaneously with the Voluntary Remediation Work and the Make Ready Work.
- 8.1.3 **Make Ready Work:** All Make Ready Work permits can be applied for sequentially, alternatively, they can also be applied for simultaneously, subject to the approval of the Building Official. One permit is not required to proceed to another; however, the Project cannot proceed to the Main Construction Phase until all Make Ready Work permits have been finalized.
- 8.1.3.1 Demolition:
- 8.1.3.1.1 Apply for demolition permits including, but not limited to work related to removal of on-site structures, removal of hardscape and removal and capping of utilities;
 - 8.1.3.1.2 Complete utility separation; and
 - 8.1.3.1.3 Complete demolition of existing on-site structures and receive building permit finals for the demolition permits.
- 8.1.3.2 Grading and Utility Work:
- 8.1.3.2.1 Apply for grading and utility installation permit;
 - 8.1.3.2.2 Complete all grading and utility work and receive building permit final; and
 - 8.1.3.2.3 Per Fire District requirements, no combustible building materials are allowed on the Project Site until fire water is available and fire access is provided.
- 8.1.4 **Access Improvements:**
- 8.1.4.1 Undercrossing Improvements:
- 8.1.4.1.1 Continue work on the undercrossing improvements required under the 1601 Willow Road Amended and Restated Conditional Development Permit (East Campus Undercrossing Improvements) and resubmit plans for the portion of the Undercrossing Improvements located on the Project Site (West Campus Undercrossing Improvements) prior to the expiration of the building permit application for the West Campus Undercrossing Improvements.

- 8.1.4.1.2 Permit issued for the West Campus Undercrossing Improvements;
- 8.1.4.1.3 Enter into a maintenance agreement for the Undercrossing Improvements (East and West Campus) to the satisfaction of the Public Works Director. The maintenance agreement shall define maintenance obligations and access rights for public use; and
- 8.1.4.1.4 Permits for the Undercrossing Improvements (East and West Campus) shall be finalized prior to Temporary Certificate of Occupancy (TCO) for the Interior Build-out of the Main Construction Phase

8.1.4.2 Public Right-of-Way Encroachment Permit:

- 8.1.4.2.1 Submit improvement plans to the City for approval for those portions of the Project that require offsite improvements in the Caltrans right-of-way (Public ROW Improvements). This includes all work in the Caltrans right-of-way, including, but not limited to, water line improvements, the multiuse trail on Willow Road, and curb cuts;
- 8.1.4.2.2 Receive City approvals for such improvement plans;
- 8.1.4.2.3 Submit the improvement plans to Caltrans and request encroachment permit approvals; and
- 8.1.4.2.4 Complete the Public ROW Improvements (inclusive of installation of new traffic signal on Bayfront Expressway) prior to TCO for the Main Construction Phase.

8.1.5 **Main Construction Phase:** All Main Construction Phase Permits can be applied for simultaneously; however, the permits shall be issued sequentially and a succeeding permit cannot be issued until the preceding permit is finalized, unless otherwise approved by the Building Official. At a minimum, complete architectural, structural, mechanical, electrical, plumbing, green building plans and supporting documentation associated with cold shell (no interior improvements, heating or cooling) or shell and core (no interior improvements other than restroom facilitation, heating, and cooling) and plans for the Public ROW Improvements shall be submitted simultaneously.

8.1.5.1 Foundation Only Permit:

- 8.1.5.1.1 Apply for foundation only permit. This permit will not be issued until the following requirements are satisfied:
 - 8.1.5.1.1.1 Structural Drawings for the entire building have received preliminary approval (the Applicant's design team will resubmit substantially consistent structural drawings with the cold shell or shell and core permit application);
 - 8.1.5.1.1.2 Applicant to provide pad certifications documenting that pads are constructed to elevations required by approved FEMA CLOMR-F; and
 - 8.1.5.1.1.3 Caltrans approval of the location for a signalized intersection location on Bayfront Expressway, which may

be pursuant to a no further comment letter or similar transmission to the City, to the satisfaction of the Public Works Director.

8.1.5.1.2 Complete foundation and receive building permit final.

8.1.5.2 Cold Shell or Shell and Core Permit: If elements of the interior build-out or HVAC system are still being developed, then an application for cold shell or shell and core permit can be made

8.1.5.2.1 Complete cold shell or shell and core permit and receive building permit final.

8.1.5.3 Interior Build-out Permit: Apply for interior build-out (tenant improvement) permit

8.1.5.3.1 Complete interior build-out permit and receive building permit final.

8.1.5.3.2 Occupancy of the office building shall not be granted until the interior build-out permit passes final inspection

9. PROJECT SPECIFIC CONDITIONS - GENERAL:

9.1 Project Plans: Development of the Project shall be substantially in conformance with the plans submitted by Gehry Partners, LLC dated February 1, 2013 consisting of 73 plan sheets, recommended for approval to the City Council by the Planning Commission on February 25, 2013 (Project Plans), and approved by the City Council on March 19, 2013, except as modified by the conditions contained herein and in accordance with Section 6 (Modifications) of this document.

9.2 Below Market Rate Housing Agreement: Concurrently with the recordation of the 312 and 313 Constitution Drive Development Agreement and Conditional Development Permit, the Applicant shall record the Below Market Rate (BMR) Housing Agreement. The BMR Housing Agreement requires that the Applicant satisfy its obligations under the BMR Ordinance and Guidelines by one of the following methods:

- a. Paying the in lieu fee;
- b. Delivering off-site units; or
- c. Paying a portion of the in lieu fee and delivering off-site units.

Based upon the current fee per square foot, the BMR fee for the subject project would be **\$4,507,291**. The required number of units for the subject project would be 15. If the Applicant proceeds with a combined in lieu fee payment and provision of off-site units, each unit shall equate to 20,427 square feet of gross floor area.

9.5 Construction Fencing: The Applicant shall submit a plan for construction safety fences around the periphery of the construction area concurrent with the building permit for each stage of construction. The fences shall be installed according to the plan prior to commencing construction. The plan shall be reviewed and approved by the Building and Planning Divisions prior to issuance of a demolition permit.

- 9.6 Truck Route Plan: The Applicant shall submit a truck route plan concurrent with the building permit application for each stage of construction based on the City's municipal code requirements, for review and approval by the Transportation Division. The Applicant shall also submit a permit application and pay applicable fees relating to the truck route plan, to the satisfaction of the Public Works Director
- 9.7 Salvaging and Recycling of Construction and Demolition Debris: The Applicant shall comply with the requirements of Chapter 12.48 (Salvaging and Recycling of Construction and Demolition Debris) of the City of Menlo Park Municipal Code, which compliance shall be subject to review and approval by the Public Works Department.
- 9.8 Utility Improvements: Concurrent with submittal of the Grading and Utility Building Permit application, the Applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions prior to building permit issuance. Landscaping shall properly screen all utility equipment that is installed outside of a building and cannot be placed underground; subject, however, to the requirements of the Menlo Park Fire Protection District, the West Bay Sanitary District, PG&E and any other applicable agencies regarding utility clearances and screening. The plan for new utility installations/upgrades shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes and other equipment boxes. The screening shall be compatible and unobtrusive and subject to the review and approval of the Planning Division which approval will be required prior to the City's approval of the final building permit inspection for the building shell.
- 9.9 Grading and Drainage Plan, Inclusive of Erosion and Sedimentation Control Plan: Concurrent with submittal of the Grading and Utility Building Permit application, the Applicant shall submit a Grading and Drainage Plan, including an Erosion and Sedimentation Control Plan, for review and approval by the Engineering Division prior to building permit issuance. The Grading and Drainage Plan shall be prepared based on the City's Grading and Drainage Plan Guidelines and Checklist, the City approved Hydrology Report for the Project, and the Project Applicant Checklist for the National Pollution Discharge Elimination System (NPDES) Permit Requirements.
- 9.10 Landscape Plan: During the Main Construction Phase (8.1.5), the Applicant shall submit a detailed on-site landscape plan, including the size, species, and location, and an irrigation plan shall be submitted for review and approval by the Planning, Engineering, and Transportation Divisions, prior to building permit issuance. The landscape plan shall illustrate the retention of the maximum number of trees feasible, with the potential retention of approximately 30 trees previously indicated to be removed on plan sheet WL.1, to the satisfaction of the Planning Division and City Arborist. The landscape plan shall include all onsite landscaping, adequate sight distance visibility, screening for outside utilities with labels

for the utility boxes sizes and heights, and documentation confirming compliance with the Water Efficient Landscaping Ordinance (Municipal Code Chapter 12.44). The landscape plan shall include an appropriate mix of native and adapted species to complement the nearby Don Edwards San Francisco Bay National Wildlife Refuge and shall be reviewed and approved by the Community Development Director and Public Works Director prior to building permit issuance.

- 9.11 Heritage Tree Protection: The Applicant shall comply with the tree protection guidelines contained within the *Facebook West Campus Tree Preservation Feasibility and Protection Guidelines*, dated March 20, 2013. Concurrent with grading permit submittal, the Applicant shall submit a heritage tree preservation plan, detailing the location of and methods for all tree protection measures, as described in the *Facebook West Campus Tree Preservation Feasibility and Protection Guidelines*. The project arborist shall submit a letter confirming adequate installation of the tree protection measures. The Applicant shall retain an arborist throughout the term of the project, and the project arborist shall submit periodic inspection reports to the Building Division. The heritage tree preservation plan shall be subject to review and approval by the Planning Division and City Arborist prior to grading permit issuance.
- 9.12 Landscape Maintenance: Site landscaping, inclusive of landscaping on the living roof, shall be maintained to the satisfaction of the Community Development Director so long as the building constructed as part of the Project is located on the Project Site. Significant revisions to site landscaping (inclusive of roof landscaping) shall require review by the Building Official, Public Works Director and Community Development Director to confirm the proposed changes comply with accessibility and exiting requirements, stormwater requirements and are substantially consistent with the Conditional Development Permit approval consistent with the procedure outline in Section 6, Modifications.
- 9.13 Stationary Noise Source Compliance Data: Concurrent with the Main Construction Phase (8.1.5) building permit submittal, the applicant shall provide a plan that details that all on-site stationary noise sources comply with the standards listed in Section 08.06.030 of the City's Noise Ordinance. This plan shall be subject to review and approval by the Planning and Building Divisions prior to each building permit issuance.
- 9.14 Compliance with City Requirements: The Applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the Project to the satisfaction of the Community Development Director.
- 9.15 Building Construction Street Impact Fee: Prior to issuance of each building permit, the Applicant shall pay the applicable Building Construction Street Impact Fee in effect at the time of payment, to the satisfaction of the Public Works Director.

- 9.16 School Impact Fee: Prior to issuance of the building permit for the Main Construction Phase, the Applicant shall pay the applicable School Impact Fee for the Project in effect at the time of payment, to the satisfaction of the Building Official.
- 9.17 West Bay Sanitary District Requirements: The Applicant shall comply with all regulations of the West Bay Sanitary District that are directly applicable to the Project to the satisfaction of the Building Official.
- 9.18 Menlo Park Fire Protection District Requirements: The Applicant shall comply with all Menlo Park Fire Protection District regulations governing site improvements, Fire Code compliance, and access verification that are directly applicable to the Project to the satisfaction of the Building Official.
- 9.19 Power and Communications Requirements: The Applicant shall comply with all regulations of PG&E and other applicable communication providers (i.e., AT&T and Comcast) that are directly applicable to the Project to the satisfaction of the Building Official.
- 9.20 Stormwater Operations and Maintenance Agreement: Prior to building permit final for the Main Construction Phase (8.1.5), the Applicant shall enter into an Operations and Maintenance Agreement with the City. The Operations and Maintenance Agreement shall establish a self-perpetuating drainage system maintenance program (to be managed by the Applicant) that includes annual inspections of any infiltration features and stormwater detention devices (if any), and drainage inlets, flow through planters, and other Best Management Practices (BMP). Any accumulation of sediment or other debris shall be promptly removed. Funding for long-term maintenance of all BMPs must be specified in the Operations and Maintenance Agreement. The Operation and Maintenance Agreement shall be subject to review and approval of the City Attorney and the Public Works Director and shall be recorded prior to building permit final inspection. An annual report documenting the inspection and any remedial action conducted shall be submitted to the Public Works Department for review. This condition shall be in effect for the life of the Project.
- 9.21 Department of Toxic Substance Control Approval: Prior to issuance of the building permit for the Make Ready Work (8.1.3), the applicant shall comply with one of the two options identified in Section 8.1.1 of this Conditional Development Permit.
- 9.22 Caltrans Approval: Prior to issuance of the building permit for the foundation (part of the Main Construction Phase 8.1.5), the Applicant shall provide verification of Caltrans approval of the signalized intersection location as set forth in Section 8.1.5.1.3.

- 9.23 Improvements in the Caltrans Right-of Way: Prior to issuance of TCO for the interior build-out component of the Main Construction Phase (8.1.5.3), the Applicant shall complete all Public ROW improvements (inclusive of installation of the new traffic signal on Bayfront Expressway) and provide verification that Caltrans has accepted the improvements, to the satisfaction of the Public Works Director.
- 9.24 Access and Improvements: Access points and all improvement on Bayfront Expressway and Willow Road are subject to the review and approval of Caltrans. Prior to submitting improvement plans to Caltrans, the applicant shall submit plans to the Public Works Director for his/her review and approval prior to submittal to Caltrans
- 9.25 Accessibility: All pedestrian pathways shall comply with applicable Federal and State accessibility requirements, to the satisfaction of the Public Works Director and Building Official.
- 9.26 On-site Pedestrian Deterrents: The on-site pedestrian deterrent materials and color identified in the Project Plans are subject to further review and modification at the building permit stage. The revised proposal shall meet the satisfaction of the Public Works Director, Building Official and Menlo Park Fire Protection District.
- 9.27 Willow Road Sidewalk: The alignment of the crosswalk at the Willow Road driveway as shown in the Project Plans is subject to further review and potential modifications. Concurrent with complete plan set submittal for the Main Construction Phase (8.1.5) the applicant shall provide a proposed alignment for the crosswalk to the satisfaction of the Public Works Director, Building Official and Menlo Park Fire Protection District.
- 9.28 Generator Screening: Consistent with Project Plans, the Applicant shall screen all generators prior to building permit final inspection for interior improvements, to the satisfaction of the Community Development Director.
- 9.29 Refuse and Recyclables: All garbage bins and carts shall be located within a trash enclosure that meets the requirements of the solid waste disposal provider (Recology), and the City Public Works Department and Planning Division for the lifetime of the project. If additional trash enclosures are required to address the on-site trash bin and cart storage requirements of the Applicant, a complete building permit submittal shall be submitted inclusive of detailed plans, already approved by Recology, for review and approval of the Planning Division and the Public Works Department prior to each building permit issuance.
- 9.30 Special Event Tents: The Applicant shall obtain required building and Fire District permits for erection of special event tents requiring such permits, to the satisfaction of the Building Official.

- 9.31 Special Events Tents, Roof: Use of a special event tent on the roof level is limited to single day events a maximum of eight times per calendar year, with the events occurring between the hours of 9 a.m. and 11 p.m. The set-up and break down of the tent shall not occur more than three days in advance of an event and shall be completed within three days of completion of said event .The tent shall be a maximum size of approximately 80 feet by 180 feet with a maximum vertical peak of 28 feet above the main roof level, for a maximum height of 73 feet above average natural grade to the satisfaction of the Building Official. Menlo Park Fire Protection District approval is required each time the tent is erected.
- 9.32 Alcoholic and Beverage Control: The Applicant shall ensure that all on-site suppliers of alcoholic beverages apply for and receive approval of the appropriate Alcoholic and Beverage Control (ABC) license prior to any on-site alcohol sales and/or service, to the satisfaction of the Community Development Director.
- 9.33 Leadership in Energy and Environmental Design: The Applicant will design the building to perform to LEED Building Design and Construction (BD+C) Gold equivalency. The Applicant may satisfy this obligation by delivering a report from its LEED consultant. That report shall be submitted prior to or concurrent with the Main Construction Phase (Section 8.1.5) and is subject to approval by the Community Development Director (not to be unreasonably withheld or conditioned).
- 9.34 Roof Insulation: In order to achieve compliance with energy savings as modeled in the Energy Analysis prepared by KEMA dated, January 13, 2013, the roof shall achieve an insulation with a minimum combined insulation product value of a minimum of R-25 or the requirement of the California Energy Code in effect at the time of shell permit application, whichever is greater. Compliance with this requirement shall be documented as part of the building permit submittal for the Main Construction Phase (8.1.5) to the satisfaction of the Building Official.
- 9.35 Lighting: Concurrent with building permit submittal for the Main Construction Phase (8.1.5), the Applicant shall submit a lighting plan, including photometric contours, manufacturer's specifications on the fixtures, and mounting heights to ensure safe access and to illustrate the light and glare do not spillover to neighboring properties, to the satisfaction of the Community Development Director and Public Works Director.
- 9.36 Transportation Demand Management Program: The Applicant shall implement a commercially reasonable Transportation Demand Management (TDM) Program to the satisfaction of the Public Works Director.
- 9.37 Parking Intrusion: The Applicant shall actively work to prevent the parking of employee and visitor vehicles (whose occupant(s)' final destination is the Project Site) in adjacent neighborhoods, including, but not limited to,

the Belle Haven neighborhood, on other public streets in the City, and on public streets in the City of East Palo Alto to the satisfaction of the Public Works Director. The City reserves the right to require monitoring of neighborhood parking intrusions consistent with the specifications of the West Campus Trip Cap Monitoring and Enforcement Policy, attached hereto as Exhibit A and incorporated herein.

- 9.38 Primary Entrance Designation: The Applicant shall designate the proposed Bayfront Expressway entries as the primary entrance point to the Project Site. The use of the Willow Road entrance primarily shall be used by Facebook shuttles, delivery and service vehicles, and emergency responders, with minimal access for single occupancy vehicles, to the satisfaction of the Public Works Director.

10. PROJECT SPECIFIC CONDITIONS – UNDERCROSSING IMPROVEMENTS

- 10.1 Sequencing Undercrossing Improvements: The following outlines the basic sequencing of required permits related to the West Campus Undercrossing Improvements, as illustrated on plan sheet WL.3.3 Undercrossing Section Undercrossing.
- i. Bonding: The Applicant shall post a bond to complete the Conceptual West Campus Undercrossing Improvements depicted on page EL.2, Conceptual Undercrossing Plans, of the Facebook East Campus plans dated April 20, 2012 to be drawn on if the Project is not developed as anticipated.
 - 1. A cost estimate for the construction of the Conceptual West Campus Undercrossing Improvements shall be provided to the City on the Effective Date of the CDP as defined in section 5.2.
 - 2. A bond for 200% of the approved cost estimate shall be posted within 30 days of the Effective Date of the CDP as defined in section 5.2.
 - ii. City Approval: The Applicant shall apply for City approval of the West Campus Undercrossing Improvements as follows:
 - 1. Submit complete set of West Campus Undercrossing Improvement plans to the City concurrent with the Main Construction Phase, in no case later than the Main Construction Phase specified in 8.1.5.2.
 - 2. Outside Agency Approval: Submit applications to applicable outside agencies within 30 days of City approval of the West Campus Undercrossing Improvement plans and diligently pursue approvals from those outside agencies. Applicable agencies with permitting authority for the West Campus Undercrossing Improvements include:
 - a. Caltrans;
 - b. California Public Utilities Commission (CPUC);
 - c. SamTrans/Joint Powers Board (JPB); and

d. Other Agencies with Jurisdiction

- iii. Construction: Construct the West Campus Undercrossing Improvements prior to TCO for interior build-out; provided, however, that if the Applicant does not commence the Project within 365 days of the effective date of the CDP or commences the Project and subsequently abandons work for more than 6 months (Early Construction Trigger), then the Applicant shall construct the Conceptual West Campus Undercrossing Improvements by the later of (a) 180 days after approval of the plans for the Conceptual West Campus Undercrossing Improvements by the City and all applicable agencies with permitting authority and (b) 180 days after the occurrence of the Early Construction Trigger, subject to acceptable delays, including, but not limited to, weather, the presence of nesting birds during nesting season and the presence of burrowing owls, to the satisfaction of the Public Works Director.
- 10.2 Caltrans Approval: Prior to building permit issuance for the West Campus Undercrossing Improvements, the Applicant shall submit all necessary improvement plans and documents required by Caltrans for work associated with the Project and under their jurisdiction. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Applicant shall diligently pursue permitting approval to the satisfaction of the Public Works Director. Upon Caltrans approval, the Applicant shall install the improvements and enter into a long-term maintenance agreement with the City for these improvements (as set forth in Section 8.1.4.1.3) prior to TCO for Interior Build-out of the Main Construction Phase (8.1.5).
- 10.3 SamTrans/Joint Powers Board (JPB): Prior to building permit issuance for the West Campus Undercrossing Improvements, the Applicant shall submit all necessary improvement plans to SamTrans/JPB for work associated with the project and under their jurisdiction, including, but not limited to design and installation of a safe at-grade pedestrian crossing of the existing railroad. The plans shall be submitted to the Public Works Director for review and approval prior to submittal to SamTrans/JPB. The Applicant shall diligently pursue permitting approval to the satisfaction of the Public Works Director. The improvements shall be installed to the satisfaction of SamTrans/JPB subsequent to applicant obtaining approval from all applicable agencies with jurisdiction.
- 10.4 California Public Utilities Commission (CPUC): Prior to building permit issuance for the West Campus Undercrossing Improvements, the Applicant shall submit all necessary improvement plans and documents required by California Public Utilities Commission (CPUC) for work associated with the Project and under CPUCs' jurisdiction, including, but not limited to design and installation of a safe at-grade pedestrian crossing of the existing railroad. The plans shall be submitted to the Public Works Director for review and approval prior to submittal to CPUC. The

Applicant shall diligently pursue permitting approval to the satisfaction of the Public Works Director. The improvements shall be installed to the satisfaction of CPUC subsequent to applicant obtaining approval from all applicable agencies with jurisdiction.

- 10.5 Bay Trail Project Coordination: Prior to building permit issuance, the Applicant shall work cooperatively with the Bay Trail Project on the design of the West Campus Undercrossing Improvements to ensure that the undercrossing is compliant with the Bay Trail requirements to the maximum extent practicable, all to the satisfaction of the Public Works Director.
- 10.6 Public Access Easements: Concurrent with complete plan set submittal for construction of the West Campus Undercrossing Improvements, the Applicant shall submit a plat and legal description for a public access easement(s) for utilization of the undercrossing to the satisfaction of the Public Works Director. The acceptance of the deed or dedication requires Menlo Park City Council approval prior to TCO for Interior Build-out of the Main Construction Phase (8.1.5).
- 10.7 Utility Improvements: Concurrent with building permit submittal for the West Campus Undercrossing Improvements, the Applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Community Development Director and Public Works Director prior to building permit issuance. Landscaping shall properly screen all utility equipment that is installed outside of a building and cannot be placed underground; subject, however, to the requirements of the Menlo Park Fire Protection District, the West Bay Sanitary District, PG&E and any other applicable agencies regarding utility clearances and screening. The plan for new utility installations/upgrades shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes and other equipment boxes. The screening shall be compatible and unobtrusive and subject to the review and approval of the Community Development Director prior to building permit issuance.
- 10.8 Grading and Drainage: Concurrent with building permit submittal for the West Campus Undercrossing Improvements, the applicant shall submit a Grading and Drainage Plan, including an Erosion and Sedimentation Control Plan, for review and approval by the Engineering Division prior to building permit issuance. The Grading and Drainage Plan shall be prepared based on the City's Grading and Drainage Plan Guidelines and Checklist, the City approved Hydrology Report for the Project, and the Project Applicant Checklist for the National Pollution Discharge Elimination System (NPDES) Permit Requirements to the satisfaction of the Public Works Director.
- 10.9 Landscape Plan: Concurrent with building permit submittal for the West Campus Undercrossing Improvements, the Applicant shall submit a detailed on-site landscape plan, including the size, species, and location,

and an irrigation plan for review and approval by the Community Development Director and Public Works Director, prior to building permit issuance. The landscape plan shall include all onsite landscaping, adequate sight distance visibility, screening for outside utilities with labels for the utility boxes sizes and heights, fencing inclusive of fence height and materials, and documentation confirming compliance with the Water Efficient Landscaping Ordinance (Municipal Code Chapter 12.44), if applicable. The landscape plan shall include an appropriate mix of native and adapted species to complement the nearby Don Edwards San Francisco Bay National Wildlife Refuge and shall be reviewed and approved by the Community Development Director and Public Works Director prior to building permit issuance.

- 10.10 Lighting: Concurrent with building permit submittal for the West Campus Undercrossing Improvements, the Applicant shall submit a lighting plan, including photometric contours, manufacturer's specifications on the fixtures, and mounting heights to ensure safe access and to illustrate the light and glare do not spillover to neighboring properties, to the satisfaction of the Community Development Director and Public Works Director.
- 10.11 Comply with Applicable Requirements: The Applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project, to the satisfaction of the Community Development Director.
- 10.12 Building Construction Street Impact Fee: Prior to issuance of the building permit for the West Campus Undercrossing Improvements, the Applicant shall pay the applicable building construction street impact fee in effect at the time of payment to the satisfaction of the Public Works Director.
- 10.13 Utility and Communication Provider Requirements: The Applicant must comply with all regulations of Pacific Gas and Electric, West Bay Sanitary District and other applicable communication providers (i.e., AT&T and Comcast) that are directly applicable to the Project, to the satisfaction of the Community Development Director.
- 10.14 Stormwater Operations and Maintenance Agreement: Prior to building permit final for the West Campus Undercrossing Improvements, the Applicant shall enter into an Operations and Maintenance Agreement with the City. The Operations and Maintenance Agreement shall establish a self-perpetuating drainage system maintenance program (to be managed by the property owner or property manager) that includes annual inspections of any infiltration features and stormwater detention devices (if any), and drainage inlets, flow through planters, and other BMPs. Any accumulation of sediment or other debris shall be promptly removed. Funding for long-term maintenance of all BMPs must be specified in the Operations and Maintenance Agreement. The Operation and Maintenance Agreement shall be subject to review and approval of the City Attorney and the Public Works Director and shall be recorded prior to building

permit final inspection. An annual report documenting the inspection and any remedial action conducted shall be submitted to the Public Works Director for review.

- 10.15 Construction and Demolition Debris: The Applicant shall comply with the requirements of Chapter 12.48 (Salvaging and Recycling of Construction and Demolition Debris) of the City of Menlo Park Municipal Code, subject to review and approval by the Building Official.
- 10.16 Erosion and Sedimentation Control: Concurrent with building permit submittal for the West Campus Undercrossing Improvements, the Applicant shall submit a plan for construction of safety fences around the periphery of the construction area and a demolition Erosion and Sedimentation Control Plan. The fences and erosion and sedimentation control measures shall be installed according to the plan prior to commencing construction. The plans shall be reviewed and approved by the Building Official prior to issuance of a demolition permit.
- 10.17 Landscape Installation: Prior to building permit final inspection for the West Campus Undercrossing Improvements, landscaping shall be installed per the approved landscape plan, subject to review and approval by the Community Development Director and Public Works Director.
- 10.18 Building Permit Final: All building permits associated with the Undercrossing Improvements shall be finalized prior to issuance of TCO for the Interior Build-out of the Main Construction Phase (8.1.5) to the satisfaction of the Public Works Director.

11. PROJECT SPECIFIC CONDITIONS – LOT LINE ADJUSTMENT

- 11.1 Recordation: The Lot Line Adjustment establishing an Access Parcel and a Main Parcel, including the private road name for the Project Site, shall be recorded promptly following the recordation of this Conditional Development Permit, to the satisfaction of the Public Works Director and the Community Development Director.
- 11.2 Common Ownership: The Access Parcel and the Main Parcel shall remain in common ownership in perpetuity, to the satisfaction of the Public Works Director.
- 11.3 Road Naming: The name of the private road shall be established with recordation of the lot line adjustment. Future changes to the road name shall require the applicant to submit a plat map and legal description specifying the new road name for the review of the Public Works Director, and said document shall be recorded, or the applicant shall comply with such other procedures as the Public Works Director determines in his/her reasonable discretion. The provided documentation shall be subject to review of the Building Official, Public Works Director and Menlo Park Fire Protection District.

- 11.4 Access Parcel Use: The Access Parcel shall be solely for road purposes and provision of vehicular, bicycle and pedestrian access, and shall be an unbuildable parcel. No permanent or temporary structures are permitted to encroach into the access parcel, in perpetuity, to the satisfaction of the Public Works Director and Building Official.
- 11.5 Access Parcel Size and Location: The Access Parcel shall be located immediately adjacent to Bayfront Expressway to provide access from Bayfront Expressway to the Main Parcel. If revisions to the size and location of the Access Parcel and associated Main Parcel are required subsequent to recordation to meet Caltrans requirements pertinent to the required new intersection on Bayfront Expressway, the applicant shall apply for a lot line adjustment amendment or comply with such other procedure that the Public Works Director establishes in his/her discretion, and the revisions shall be subject to the review and approval of the Public Works Director. The Public Works Director shall be the final decision maker for any lot line adjustment amendment or other revision requested specifically to comply with Caltrans requirements pertinent to the required new intersection on Bayfront Expressway and such amendment/revision shall not be subject to the appeal procedures identified in the City's Subdivision Ordinance.

12 PROJECT SPECIFIC CONDITIONS - MITIGATION MEASURES

Mitigation measures that are associated with both the East Campus and the West Campus only need to be satisfied once. For example, if Facebook performs the mitigation measure identified in Section 12.2 of this Conditional Development Permit pursuant to the East Campus Project, the Applicant's obligation under Section 12.2 of this Conditional Development Permit will also be deemed satisfied.

- 12.1 West Campus Vehicle Trip Cap: This mitigation measure would reduce AM and PM peak trips, and thus reduce trips at impacted intersections, and involves the imposition of a trip cap on the West Campus comparable to the Trip Cap that is part of the Project for the East Campus.

The 1,100 peak hour vehicle trip cap has been calculated in a similar fashion to the East Campus trip cap and is based on a comparative ratio between the East and West Campus employee totals in the following manner:

- $2,800 \text{ West Campus Employees} \times (2,600 \text{ East Campus Peak Period Trip Cap} / 6,600 \text{ East Campus Employees}) = 1,100 \text{ West Campus Peak Period Trip Cap}$

The West Campus vehicle trip cap mitigation shall comply with the West Campus Trip Cap Monitoring and Enforcement Policy. A peak period trip cap of 1,100 trips for the West Campus does not, in and of itself, fully mitigate the impacts in either the AM peak or PM peak for any of the impacted intersections. Because the proposed mitigation would not fully mitigate the impact, it remains significant and unavoidable unless the impact is fully

mitigated through a specific intersection improvement as outlined below (MM-TR-6.1).

- 12.2 Willow Road and Bayfront Expressway Improvement¹: The proposed partial mitigation measures for the intersection of Willow Road and Bayfront Expressway include an additional eastbound right turn lane with a right turn overlap phase from Willow Road to Bayfront Expressway, a new Class I bikeway between the railroad tracks and the existing Bay Trail, closing the outbound direction of the driveway at Building 10 to simplify maneuvering through the stop-controlled intersection (inbound access would still be provided), lengthening the existing right-turn pocket at the westbound approach to a full lane between Bayfront Expressway and the stop-controlled intersection, and ensuring the crosswalk at the stop-controlled intersection is accommodated safely.

Prior to the 1601 Willow Road Development Agreement approval, the Applicant shall prepare a construction cost estimate for the proposed mitigation measures at the intersection of Willow Road and Bayfront Expressway for review and approval of the Public Works Director. Within 90 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall submit complete plans to construct the intersection improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way and on the egress approach, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, signage and striping modifications further west on Willow Road, and the design of the eastbound direction Class I bikeway from the railroad tracks to the intersection of Willow Road and Bayfront Expressway. The plans shall be subject to review and approval of the Public Works Department prior to submittal to Caltrans. The Applicant shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Applicant shall construct the on-site improvements within 180 days of City approval of the plans. The Applicant shall construct the off-site improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the 1601 Willow Road Development Agreement effective date, and the Applicant demonstrates that it has worked diligently to pursue

¹ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Applicant shall be relieved of responsibility to construct the improvement and the bond shall be released by the City. Construction of this improvement by the Applicant shall count as a future credit toward payment of the Transportation Impact Fee (TIF) payable by the Applicant pursuant to the TIF Ordinance. In the event any portion of the intersection improvements is eligible for funding in whole or in part by the City/County Association of Governments (C/CAG) such improvements may be deferred by the City in its sole discretion to pursue such funding and the Applicant may be relieved of its responsibility to construct such portion of the intersection improvements as may be funded by C/CAG, or such responsibility may be deferred until eligibility for funding is determined. (MM-TR-1.1.a)

- 12.3 Willow Road and Middlefield Road Improvement²: The proposed mitigation measure for the intersection of Willow Road and Middlefield Road includes restriping an existing northbound through lane to a shared through and right-turn lane. Implementing this improvement would require traffic signal modifications, removal of the existing triangular median on the southeast corner of the intersection, along with realignment of the crosswalks on the south and east side of the intersection.

Prior to the 1601 Willow Road Development Agreement approval, the Applicant shall prepare a construction cost estimate for the proposed mitigation measure at the intersection of Willow Road and Middlefield Road for review and approval of the Public Works Director. Within 90 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall submit complete plans to construct the intersection improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director. Upon obtaining approval from the City, the Applicant shall construct the improvements within 180 days of the encroachment permit approval date by the City. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. (MM-TR-1.1.b)

² Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

- 12.4 University Avenue and Bayfront Expressway Improvement³: The proposed mitigation measure for the intersection of University Avenue and Bayfront Expressway includes an additional southbound through lane and receiving lane. A revised signal timing plan would also be needed. The additional southbound through lane and southbound receiving lane are not feasible due to the right-of-way acquisition from multiple property owners, potential wetlands, relocation of the Bay Trail, and significant intersection modifications, which are under Caltrans jurisdiction. However, the installation of a Class I bikeway (portion of the Bay Trail from west of the railroad tracks to the intersection of University Avenue and Bayfront Expressway) is a feasible, partial mitigation measure for the impact. This partial mitigation measure would require paving, grading, drainage and signing and striping improvements.

Prior to the 1601 Willow Road Development Agreement approval, the Applicant shall prepare a construction cost estimate for the proposed partial mitigation measure along University Avenue between Bayfront Expressway and the railroad tracks for review and approval of the Public Works Director. Within 90 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall provide a bond for improvements in the amount equal to the estimated construction cost for the improvements plus a 30 percent contingency. Within 180 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall submit complete plans to construct the improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, and signage and striping modifications. The plans shall be subject to review and approval by the City and coordination with the City of East Palo Alto Public Works Departments prior to submittal to Caltrans. The Applicant shall complete and submit an encroachment permit for approval by the cities of Menlo Park and East Palo Alto, if required, and Caltrans prior to construction of the improvements. The Applicant shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the proposed improvements within five years from the 1601 Willow Road Development Agreement effective date, and the Applicant demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Applicant shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Applicant submits funds equal to the updated estimated construction cost to the City. The City may use the funds for other transportation improvements,

³ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

including, but not limited to, bicycle, pedestrian, and transit improvements, and TDM programs throughout the City, with priority given to portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. (MM-TR-1.1.c)

- 12.5 Bayfront Expressway and Chrysler Drive Improvements⁴: The proposed mitigation measures for the intersection of Bayfront Expressway and Chrysler Drive include restriping the existing eastbound right turn lane to a shared left-right-turn lane.

Prior to the 1601 Willow Road Development Agreement approval, the Applicant shall prepare a construction cost estimate for the proposed mitigation measures at the intersection of Bayfront Expressway and Chrysler Drive for review and approval of the Public Works Director. Within 90 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall submit complete plans to construct the intersection improvements.

The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Applicant shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Applicant shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the 1601 Willow Road Development Agreement effective date, and the Applicant demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Applicant shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Applicant submits funds equal to the updated estimated construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, and transit improvements and TDM programs, throughout the City with priority given to portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. (MM-TR-1.1.d)

- 12.6 Marsh Road and Bayfront Expressway⁵: The proposed mitigation measures for the intersection of Marsh Road and Bayfront Expressway include

⁴ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

⁵ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals.

restriping the westbound approach from a shared left-through-right lane to a shared left-through lane and a shared through-right lane.

Prior to the 1601 Willow Road Development Agreement approval, the Applicant shall prepare a construction cost estimate for the proposed mitigation measure at the intersection of Marsh Road and Bayfront Expressway for review and approval of the Public Works Director. Within 90 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall submit complete plans to construct the intersection improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Applicant shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Applicant shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the 1601 Willow Road Development Agreement effective date, and the Applicant demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Applicant shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Applicant submits funds equal to the updated estimated construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, transit improvements, and TDM programs, throughout the City, with priority given to those portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. (MM-TR-6.2.a)

- 12.7 Marsh Road and US 101 NB Ramps⁶: The proposed mitigation measures for the intersection of Marsh Road and US 101 Northbound off-ramp include widening the northbound off-ramp on the western side of the approach and adding an additional left-turn lane along with adding a second right-turn lane by restriping one of the existing left-turn lanes. This improvement will require

Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

⁶ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals.

Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

relocation of existing traffic signal poles, utility relocation and reconstruction of the curb ramp on the southwest corner of the intersection.

Prior to the 1601 Willow Road Development Agreement approval, the Applicant shall prepare a construction cost estimate for the proposed mitigation measures at the intersection of Marsh Road and US 101 Northbound off-ramp for review and approval of the Public Works Director. Within 90 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall provide a bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall submit complete plans to construct the intersection improvements.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and signage and striping modifications. The plans shall be subject to review and approval of the Public Works Director prior to submittal to Caltrans. The Applicant shall complete and submit an encroachment permit for approval by the City and Caltrans prior to construction of the intersection improvements. The Applicant shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the 1601 Willow Road Development Agreement effective date, and the Applicant demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Applicant shall be relieved of responsibility to construct the improvement and the bond shall be released by the City after the Applicant submits funds equal to the updated estimated construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, transit improvements, and TDM programs, throughout the City, with priority given to those portions of the City east of US 101. Construction of these improvements is not eligible for a Transportation Impact Fee (TIF) credit. (MM-TR-6.2.b)

12.8 Marsh Road and Middlefield Road: Memorandum of Agreement by and Between the Town of Atherton and Facebook, Inc. Regarding the Menlo Park Facebook Campus Project. The Applicant shall comply with the Memorandum of Agreement by and Between the Town of Atherton and Facebook, Inc. Regarding the Menlo Park Facebook Campus Project dated July 2, 2012 (MM-TR-6.2.c).

12.9 Willow Road and Newbridge Street⁷: The potential mitigation measure for the intersection of Willow Road and Newbridge Street includes an additional

⁷ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals.

eastbound left-turn lane, an additional northbound receiving lane for the eastbound left turning traffic, an additional westbound through/right-turn lane, and an additional receiving lane for the westbound through traffic. The additional eastbound left-turn lane and northbound receiving lane are not feasible due to the right-of-way acquisition and property impacts required along Newbridge Street and at the southwest quadrant of the intersection, which is in the City of East Palo Alto. However, the additional westbound through/right-turn lane and westbound receiving lane is a feasible, partial mitigation measure for the impact. This partial mitigation measure would require traffic signal modifications, the removal of at least one heritage tree in front of 1157 Willow Road in order to accommodate the receiving lane, and the removal and relocation of a portion of the concrete masonry wall and landscaping near 1221 Willow Road.

Prior to the 1601 Willow Road Development Agreement approval, the Applicant shall prepare a construction cost estimate for the feasible mitigation measure at the intersection of Willow Road and Newbridge Street for review and approval of the Public Works Director. Within 90 days of the effective date of the 1601 Willow Road Development Agreement, the Applicant shall provide a performance bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the 1601 Willow Road Development Agreement effective date, the Applicant shall submit complete plans to construct a westbound through/right turn lane approximately 300 feet in length, and a westbound through receiving lane, from the Willow Road and Newbridge Street intersection to the beginning of the northbound US 101 on-ramp, based on impacts to the intersections of Willow Road and Newbridge Street.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including, but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and striping modifications. The plans shall be subject to review and approval by the City and coordination with the City of East Palo Alto Public Works Departments prior to submittal to Caltrans. The Applicant shall complete and submit an encroachment permit for approval by the cities of Menlo Park and East Palo Alto, if required, and Caltrans prior to construction of the intersection improvements. The Applicant shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the 1601 Willow Road Development Agreement effective date, and the Applicant demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Applicant shall be relieved of responsibility to

Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required improvements and submitted improvement plans to the City for review.

construct the improvement and the bond shall be released by the City after the Applicant submits funds equal to the updated estimated construction cost to the City. The City may use the funds for other transportation improvements, including, but not limited to, bicycle, pedestrian, transit improvements, and TDM programs, throughout the City, with priority given to those portions of the City east of US 101. The partial mitigation improvements are not eligible for a Transportation Impact Fee (TIF) credit. (MM-TR-6.2.d)

- 12.10 University Avenue and Donohoe Street: The proposed mitigation measures for the intersection of University Avenue and Donohoe Street include restriping the westbound approach of the intersection to add a right turn lane and modify the traffic signal to add a right turn overlap phase.

Prior to the approval of the West Campus Development Agreement, the Applicant shall prepare a construction cost estimate for the feasible mitigation measure at the intersection of University Avenue and Donohoe Street for review and approval of the Public Works Director. Within 90 days of the effective date of the West Campus Development Agreement, the Applicant shall provide a performance bond for improvements in the amount equal to the estimated construction cost for the intersection improvements plus a 30 percent contingency. Within 180 days of the West Campus Development Agreement effective date, the Applicant shall submit complete plans to construct the improvement.

Complete plans shall include all necessary requirements to construct the improvements in the public right-of-way, including, but not limited to, grading and drainage improvements, utility relocations, traffic signal relocations/modifications, tree protection requirements, and striping modifications. The plans shall be subject to review and approval by the City and coordination with the City of East Palo Alto Public Works Departments prior to submittal to Caltrans. The Applicant shall complete and submit an encroachment permit for approval by the cities of East Palo Alto, if required, and Caltrans prior to construction of the intersection improvements. The Applicant shall construct the improvements within 180 days of receiving approval from Caltrans.

If Caltrans does not approve the intersection improvements proposed within five years from the West Campus Development Agreement effective date, and the Applicant demonstrates that it has worked diligently to pursue Caltrans approval to the satisfaction of the Public Works Director, in his/her sole discretion, then the Applicant shall be relieved of responsibility to construct the improvement and the bond shall be released. (MM-TR-11.3.h).

- 12.11 Identify and protect roosting and breeding bats and provide alternative roosting habitat: The Applicant shall implement the following measures to protect roosting and breeding bats found in a tree or structure to be removed with implementation of the Project:
- Prior to tree removal or demolition activities on the West Campus site, the Applicant shall retain a qualified biologist to conduct a focused

survey for bats and potential roosting sites within buildings to be demolished or trees to be removed. The surveys can be conducted by visual identification and can assume presence of hoary bats or the bats can be identified to a species-level with the use of a bat echolocation detector such as an "Anabat" unit. If no roosting sites or bats are found, a letter report confirming absence shall be sent to the California Department of Fish and Game and no further mitigation is required. If roosting sites or hoary bats are found, then the following monitoring, exclusion, and habitat replacement measures shall be implemented. The letter or surveys and supplemental documents shall be provided to the City prior to demolition permit issuance.

- If bats are found roosting outside of nursery season (May 1st through October 1st), then they shall be evicted as described under the bullet-point immediately below. If bats are found roosting during the nursery season, then they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or monitoring the roost after the adults leave for the night to listen for bat pups. If the roost is determined to not be a maternal roost, then the bats shall be evicted as described under the bullet-point immediately below. Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. A 250-foot (or as determined in consultation with the Department of Fish and Game) buffer zone shall be established around the roosting site within which no construction or tree removal shall occur.
- Eviction of bats shall be conducted using bat exclusion techniques, developed by Bat Conservation International (BCI) and in consultation with the Department of Fish and Game that allow the bats to exit the roosting site but prevent re-entry to the site. This would include, but not be limited to, the installation of one way exclusion devices. The devices shall remain in place for seven days and then the exclusion points and any other potential entrances shall be sealed. This work shall be completed by a BCI recommended exclusion professional. The exclusion of bats shall be timed and carried concurrently with any scheduled bird exclusion activities.
- The loss of each roost (if any) will be replaced in consultation with the Department of Fish and Game and may include construction and installation of BCI-approved bat boxes suitable to the bat species and colony size excluded from the original roosting site. Roost replacement will be implemented before bats are excluded from the original roost sites. Once the replacement roosts are constructed and it is confirmed that bats are not present in the original roost site, the structures may be removed or sealed (MM-BR-1.1).

12.12 Conduct preconstruction surveys for burrowing owls: No more than 30 days prior to the commencement of ground disturbing activities in the area of potentially suitable burrowing owl habitat on the West Campus, a preconstruction burrowing owl survey in compliance with California Burrowing Owl Consortium protocols shall be conducted to ensure that no owls have

moved onto the West Campus. If owls are detected during the survey, additional measures are required. These measures include the following: 1) occupied burrows should not be disturbed during the burrowing owl breeding season, defined as February 1 through August 31, unless a qualified biologist approved by CDFG verifies through non-invasive methods that either the birds have not begun egg-laying and incubation, or that juveniles from the occupied burrows are foraging independently and are capable of independent survival; 2) owls on the site are passively relocated (MM-BR.1.2).

12.13 Landscaping Restrictions and Installation of Bird Perching Deterrents on all New Buildings and Other Elevated Structures on the West Campus: The Applicant shall implement the following measures to reduce impacts to special-status marsh species:

- For all new buildings to be constructed on the West Campus, the Applicant shall install bird deterrents along suitable perching sites that would allow raptors or other predatory birds a vantage point from which to prey on western snowy plover, salt marsh harvest mouse, or other special-status species potentially inhabiting the adjacent salt marshes. Such deterrents may include one or more of the following deterrent devices as appropriate for the individual situation: bird spikes, bird netting, electric shock track, sound deterrents, or other devices approved by CDFG and/or USFWS.
- Trees used for landscaping on the West Campus shall consist of species that generally do not reach heights of greater than 30 feet or shall be spaced at appropriate distances to reduce potential lines of sight and limit the distance perching birds could see into the adjacent salt marshes to the north. The landscaping trees may include native or non-invasive ornamental species. Species with broad canopies would be preferred, as tall narrow canopies (e.g., palms or conifers) generally provide better hunting perches for raptors (MM-BR-2.1).

12.14 Nesting Migratory Bird Protection: The Applicant shall implement the following measures to reduce impacts to nesting migratory birds:

- To facilitate compliance with State and federal law (Fish and Game Code and the Migratory Bird Treaty Act (MBTA)) and prevent impacts to nesting birds, the Applicant or the Property Owner (as applicable) shall avoid the removal of trees, shrubs, or weedy vegetation February 1 through August 31 during the bird nesting period. If no vegetation or tree removal is proposed during the nesting period, no surveys are required. If it is not feasible to avoid the nesting period, a survey for nesting birds shall be conducted by a qualified wildlife biologist no earlier than seven days prior to the removal of trees, shrubs, weedy vegetation, buildings, or other construction activity. (MM-BR-4.1.a)
- Survey results shall be valid for the tree removals for 21 days following the survey. If the trees are not removed within the 21-day period, then a new survey shall be conducted. The area surveyed shall include all construction areas as well as areas within 150 feet outside the boundaries of the areas to be cleared or as otherwise determined by the biologist.

In the event that an active nest for a protected species of bird is discovered in the areas to be cleared, or in other habitats within 150 feet of construction boundaries, clearing and construction shall be postponed for at least two weeks or until the biologist has determined that the young have fledged (left the nest), the nest is vacated, and there is no evidence of second nesting attempts. (MM-BR-4.1.b)

- 12.15 Implement Bird-Safe Design Standards into West Campus Building and Lighting Design: All new buildings and lighting features constructed or installed at the West Campus shall be implemented to at least a level of "Select Bird-Safe Building" standards as defined in the City of San Francisco Planning Department's "Standards for Bird-Safe Buildings," adopted July 14, 2011. These design features shall include minimization of bird hazards as defined in the standards. With respect to lighting, the West Campus shall:
- Be designed to minimize light pollution including light trespass, over-illumination, glare, light clutter, and skyglow while using bird-friendly lighting colors when possible.
 - Avoid uplighting, light spillage, event search lights, and use green and blue lights when possible.
 - Turn off unneeded interior and exterior lighting from dusk to dawn during migrations: February 15 through May 31 and August 15 through November 30.
 - Include window coverings on rooms where interior lighting is used at night that adequately block light transmission and motion sensors or controls to extinguish lights in unoccupied spaces (MM-BR-4.2).
- 12.16 Prepare and Obtain a Conditional Letter of Map Revision – Fill (CLOMR-F) from Federal Emergency Management Agency (FEMA) Prior to Issuance of a Grading or Building Permit: Prior to or concurrent with the first building permit submittal for the West Campus, the Applicant shall submit a FEMA CLOMR-F application to the Public Works Department for review and approval. In accordance with the National Flood Insurance Program (NFIP) (Code of Federal Regulations (CFR) 44 Part 65), Section 65.6 (Revision of base flood elevation determinations), the Applicant shall prepare supporting data, including relevant hydraulic and hydrologic analyses, delineation of floodplain boundaries and all other information required by FEMA to review and evaluate the request for a CLOMR-F. The analyses shall clearly show revised and new floodplain boundaries, for the Project area and adjacent areas not affected by the revision, taking into account San Francisco Bay coastal floodplain maps being prepared by the U.S. Army Corps of Engineers for the San Francisquito Creek JPA-sponsored project, if such maps have been adopted by FEMA. Upon receiving City approval, the Applicant shall submit the CLOMR-F application to FEMA. Prior to issuance of any grading or building permit on each site, the applicant shall obtain a CLOMR-F from FEMA. The applicant shall submit an elevation certificate prior to final signoff of the foundation inspection for each structure (MM-HY-2.1).
- 12.17 Floodproofing of West Campus Underground Infrastructure: Prior to, or at a minimum concurrent with, the issuance of the first construction permit at the

West Campus and in connection with applicable FEMA requirements, the City shall ensure that the Project incorporates design features to flood-proof below-ground infrastructure, including storm drains, sewers, equipment facilities, to withstand hydrostatic forces and buoyancy from sea level rise changes in groundwater levels (MM-HY-4.1).

12.18 Provide Adequate Storm Flow Conveyance Capacity for Sea Level Rise Conditions at the West Campus: Prior to, or at a minimum concurrent with, the issuance of the first construction permit at the West Campus, the City shall ensure that the Project incorporates design features to ensure that the storm drain system conveyance capacity is not constricted by sea level rise at the outlets, including the Caltrans pump station (MM-HY-4.2).

12.19 Update Operation, Maintenance, and Monitoring Plan (OMMP) for the West Campus: Prior to commencement of site grading on the West Campus, the Applicant shall retain a qualified professional to update the OMMP to incorporate site development considerations for the West Campus to ensure continued implementation of Article IV, Section 4.2 (Soil Management) of the Land Use Covenant (LUC).

The update to the OMMP⁸ shall include, at a minimum, requirements for soil sampling and laboratory analysis, action levels triggering the need for special handling, as well as stormwater runoff controls (Mitigation Measure HM-2.7), on-site soil movement associated with excavation and fill placement, off-site soil transport (if necessary), and contingency measures in the event activities encounter soil that is odorous, stained, visibly discolored, or is questionable. The Applicant shall submit the updated OMMP to the Department of Toxic Substance Control (DTSC) as required under Article IV Section 4.2 of the LUC, and in accordance with the applicable terms of the Voluntary Cleanup Agreement (VCA). The updated OMMP shall ensure that any human health risk evaluation or assessment used to support approval of soil or groundwater disturbance evaluates the proposed duration and extent of the Project activities, considers the potential for groundwater dermal exposure, and is based on the most current applicable risk evaluation methodologies. The updated OMMP shall also identify how deep foundation design and installation will be managed to reduce the potential for downward migration of contaminants in soil or groundwater.

The City shall not authorize any activity on the West Campus that has the potential to disturb soil until approved by DTSC and all necessary permits and/or approvals have been obtained, including but not limited to any permits for wells and/or borings from San Mateo County and BAAQMD (MM-HM-2.1).

12.20 Health and Safety Plan for the West Campus. Prior to commencement of site grading on the West Campus, the Applicant shall retain a qualified

⁸ The update to the OMMP may be accomplished pursuant to the Site Management Plan that the applicant intends to create for the Project Site, subject to review and approval of DTSC.

- professional to prepare an updated Health and Safety Plan to implement Article IV, Section 4.2 (Soil Management) of the LUC: The Applicant shall submit the Health and Safety Plan to DTSC as required under Article IV Section 4.2 of the LUC, and in accordance with the applicable terms of the VCA. The City shall not authorize any activity on the West Campus that has the potential to disturb soil until DTSC has approved the updated Health and Safety Plan and all necessary permits have been obtained (MM-HM-2.2).
- 12.21 West Campus Construction Activity Dust Control Plan (DCP) and Asbestos Dust Management Plan (ADMP): Prior to commencement of site grading on the West Campus, the Applicant shall retain a qualified professional to prepare a DCP/ADMP. The DCP shall incorporate the applicable BAAQMD pertaining to fugitive dust control. The ADMP shall be submitted to and approved by the BAAQMD prior to the beginning of construction, and the Applicant must ensure the implementation of all specified dust control measures throughout the construction of the Project. The ADMP shall require compliance with specific control measures to the extent deemed necessary by the BAAQMD to meet its standard (MM-HM-2.3).
- 12.22 West Campus Construction Activity Groundwater Management Plan: Prior to site grading on the West Campus, the Applicant shall retain a qualified professional to prepare a Groundwater Management Plan that describes how any groundwater extracted to accommodate site preparation will be tested and disposed of in accordance with existing regulations. The City shall not authorize any activity on the West Campus that would involve dewatering until DTSC has approved the Groundwater Management Plan and all necessary permits or approvals have been obtained, particularly if groundwater requires additional treatment and/or disposal at a permitted facility (MM-HM-2.4).
- 12.23 Soil Vapor Intrusion Barrier at the West Campus: Prior to the issuance of the first building permit for the first occupied structure at the West Campus, the Applicant shall retain a qualified professional to design a vapor intrusion barrier system consistent with the recommendations set forth in "Phase I Environmental Site Assessment, 312-314 Constitution Drive, Menlo Park, California" dated November 19, 2010 prepared by Cornerstone Earth Group. The City shall not issue a building permit until the vapor intrusion barrier design has been reviewed and approved by DTSC and the City Engineer has reviewed the final design plans to ensure the necessary features have been incorporated into the Project. Such measures could include, but would not be limited to, gas-impermeable membranes.
- Appropriate measures shall also be incorporated into Project design to reduce vapor and groundwater migration through trench backfill and utility conduits. Such measures could include placement of low-permeability backfill plugs (MM-HM-2.5).
- 12.24 Corrosion-Resistant Utility Pipeline Design for the West Campus: Prior to, or at a minimum concurrent with the issuance of utility improvement plan

- permits, the Applicant shall retain a qualified licensed professional engineer to determine protective measures for utilities. The City shall not issue any permit for utility construction until the City Engineer has reviewed the final design plans to ensure the necessary corrosion-resistant features have been incorporated into the Project (MM-HM-2.6).
- 12.25 Stormwater Quality BMPs: The Applicant shall ensure on-site detention/retention basins are lined to prevent groundwater interaction with stormwater and to prevent downward migration of stormwater into groundwater (MM-HM-2.7).
- 12.26 Construction Stormwater Pollution Prevention Plan for the West Campus: The City shall not issue any permit for grading until a Stormwater Pollution Prevention Plan (SWPPP) has been completed to the satisfaction of the City and necessary construction BMPs have been incorporated into the Project (MM-HM-2.8).
- 12.27 Record Additional Restrictions: The Applicant shall ensure that the updated OMMP (Mitigation Measure HM-2.1) includes provisions for disclosing information in DTSC-approved remediation reports along with any other requirements pertaining to post-construction, long-term operation and maintenance of subsurface utilities or maintenance or repair of foundations. Any such documentation shall be recorded in the Office of the County Recorder and a copy shall be provided to the City (MM-HM-5.1).
- 12.28 Sanitary Sewer System Improvements⁹: The Applicant shall upsize 114 linear feet of the existing 12-inch diameter pipeline that runs north along Hamilton Avenue, beginning at the Hamilton Avenue/Willow Road intersection, to a 15-inch diameter pipe. To ensure that this work is completed, as part of the 1601 Willow Road Development Agreement, the Applicant is agreeing to conduct these improvements and post a bond equal to 200 percent of the estimated cost of the work. In addition, the Applicant shall purchase a third wastewater pump to be placed into reserve in case of pump failure at Hamilton Henderson Pump Station (HHPS). To ensure this work is completed, as part of the 1601 Willow Road Development Agreement, the Applicant is agreeing to purchase the pump and post a bond equal to 120 percent of the cost of the wastewater pump. (MM-UT-3.1)
- 12.29 Design Lighting at the West Campus to Meet Minimum Safety and Security Standards: Concurrent with the building permit submittal, the Applicant shall incorporate lighting design specifications to meet minimum safety and security standards. The comprehensive site lighting plans shall be subject to review and approval by the Planning Division prior to building permit issuance

⁹ Even though this mitigation measure is associated with both the East Campus and West Campus components of the Project, its implementation was triggered by the East Campus approvals. Consequently, to satisfy the requirements of the East Campus MMRP, the Project Sponsor has already posted a bond for the required pipeline upsizing and has purchased the reserve pump.

of the first building on that site. The following measures shall be included in all lighting plans:

- Luminaries shall be designed with cutoff-type fixtures or features that cast low-angle illumination to minimize incidental spillover of light onto adjacent private properties. Fixtures that shine light upward or horizontally shall not spill any light onto adjacent private properties.
- Luminaries shall provide accurate color rendering and natural light qualities. Low-pressure sodium and high-pressure sodium fixtures that are not color-corrected shall not be used, except as part of an approved sign or landscape plan.
- Luminary mountings shall be downcast and pole heights minimized to reduce potential for back scatter into the nighttime sky and incidental spillover light onto adjacent properties and undeveloped open space. Light poles shall be no higher than 20 feet. Luminary mountings shall be treated with non-glare finishes (MM-AE-3.1).

12.30 Treat Reflective Surfaces at the West Campus: The Applicant shall ensure application of low-emissivity coating on exterior glass surfaces of the proposed structures. The low-emissivity coating shall reduce visible light reflection of the visible light that strikes the glass exterior and prevent interior light from being emitted brightly through the glass (MM-AE-3.2).

12.31 Dust Control: Concurrent with each demolition, grading and drainage, and building permit submittal, the Applicant shall prepare a dust control plan. The plan shall be reviewed and approved by the Building Official prior to demolition permit issuance. To reduce possible fugitive particulate matter emissions during project demolition, excavation and construction phases, the project contractor(s) shall comply with the dust control strategies developed by the Bay Area Air Quality Management District (BAAQMD). The Applicant shall include in all construction contracts the following requirements, or measures shown to be equally effective. These requirements shall be implemented during the demolition, grading, and construction phases to the satisfaction of the Building Official.

- All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
- All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
- All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
- All vehicle speeds on unpaved roads shall be limited to 15 mph.
- All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.

- Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.
- All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator.
- Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations (MM-AQ-3.1).

12.32 Reduce Fleet-Wide Average Diesel Particulate Matter (DPM) Emissions. The Project shall develop a plan that is approved by the City prior to issuance of building permits for the Make Ready Work demonstrating that the off-road equipment (more than 50 horsepower) to be used for the West Campus construction (i.e., owned, leased, and subcontractor vehicles) would achieve a Project wide fleet-average 35 percent Particulate Matter reduction compared to the most recent California Air Resources Board (CARB) fleet average. Acceptable options for reducing emissions include the use of late model engines, low-emission diesel products, alternative fuels, engine retrofit technology, after-treatment products, add-on devices such as particulate filters, and/or other options as such become available (MM-AQ-5.1).

12.33 Install Sound Enclosures Around Emergency Generators on the West Campus: The Applicant shall reduce the sound level from the operating generators to a maximum sound level of 88 dBA at 23 feet (7 meters) from the enclosure. Measures that could accomplish this standard include, but are not limited to, installing sound enclosures around all emergency generators, or purchasing equipment that meets this standard (MM-NO-1.1).

12.34 Limit Generator Testing to Daytime Hours on the West Campus: The Applicant shall limit generator testing to between the hours of 8:00 a.m. and 6:00 p.m (MM-NO-1.2).

12.35 Notify Nearby Businesses of Construction Activities on the West Campus that Could Affect Vibration-Sensitive Equipment: The Applicant shall provide notification to property owners and occupants of vibration-sensitive buildings within 225 feet of general construction activities and 900 feet of pile-driving activities, prior to the start of construction at the West Campus, informing them of the estimated start date and duration of vibration-generating construction activities, such as would occur during site preparation, grading, and pile driving. This notification shall include information warning about potential for impacts related to vibration-sensitive equipment. The Applicant shall provide a phone number for the property owners and occupants to call if they have vibration-sensitive equipment on their sites. A copy of the notification and any responses shall be provided to the Planning Division prior

to building permit issuance for any building permits that have the potential to result in vibration, to the satisfaction of the Building Official (MM-NO-2.1).

12.36 Construction Best Management Practices to Reduce Construction Vibration: If vibration-sensitive equipment is identified within 225 feet of general construction activities, including internal road construction or 900 feet of pile-driving activities on the West Campus, the Applicant shall implement the following measures during construction:

- To the extent feasible, construction activities that could generate high vibration levels at identified vibration-sensitive locations shall be scheduled during times that would have the least impact on nearby land uses. This could include restricting construction activities in the areas of potential impact to the early and late hours of the work day, such as from 8:00 am to 10:00 a.m. or 4:00 p.m. to 6:00 p.m. Monday to Friday.
- Stationary sources, such as construction staging areas and temporary generators, shall be located as far from nearby vibration-sensitive receptors as possible.
- Trucks shall be prohibited from idling along streets serving the construction site where vibration-sensitive equipment is located (MM-NO-2.2).

12.37 Construction Noise Plan: The Applicant shall submit a Construction Noise Plan for review and approval by the Planning and Building Divisions prior to the issuance of the demolition permit. The Applicant shall implement the following measures during demolition and construction of the Project:

- To the extent feasible, the noisiest construction activities shall be scheduled during times that would have the least impact on nearby residential land uses. This would include restricting typical demolition and exterior construction activities to the hours of 8:00 a.m. to 6:00 p.m. Monday to Friday.
- Equipment and trucks used for Project construction shall use the best available noise control techniques (e.g., improved mufflers, equipment redesign, use of intake silencers, ducts, engine enclosures and acoustically attenuating shields or shrouds) wherever feasible.
- Impact tools (e.g., jack hammers, pavement breakers, and rock drills) used for Project construction shall be hydraulically or electrically powered wherever possible to avoid noise associated with compressed air exhaust from pneumatically powered tools. However, where use of pneumatic tools is unavoidable, an exhaust muffler on the compressed air exhaust shall be used; this muffler can lower noise levels from the exhaust by up to about 10 dBA. External jackets on the tools themselves shall be used where feasible, and this could achieve a reduction of 5 dBA. Quieter procedures shall be used, such as drills rather than impact equipment, whenever feasible.

- Prior to any pile-driving activities, notification shall be sent to all surrounding property owners and occupants within 300 feet of the Project site informing them of the estimated start date and duration.
- Construction contractors, to the maximum extent feasible, shall be required to use “quiet” gasoline-powered compressors or other electric-powered compressors, and use electric rather than gasoline or diesel powered forklifts for small lifting.
- Stationary noise sources, such as temporary generators, shall be located as far from nearby receptors as possible, and they shall be muffled and enclosed within temporary sheds, incorporate insulation barriers, or other measures to the extent feasible.
- Install temporary plywood noise barriers eight feet in height around the construction site to minimize construction noise to 90 dBA as measured at the applicable property lines of the adjacent uses, unless an acoustical engineer submits documentation that confirms that the barriers are not necessary to achieve the attenuation levels.
- Trucks shall be prohibited from idling along streets serving the construction site.
- Implement “quiet” pile driving technology (e.g., vibratory pile driving or pre-drilled pile holes), where feasible, in consideration of geotechnical and structural requirements and conditions.
- Monitor the effectiveness of noise attenuation measures by taking noise measurements during pile driving activities (MM-NO-4.1).

12.38 Perform Construction Monitoring, Evaluate Uncovered Archaeological Features, and Mitigate Potential Disturbance for Identified Significant Resources at the West Campus: Prior to demolition, excavation, grading, or other construction-related activities on the West Campus, the applicant shall hire a qualified professional archaeologist (i.e., one who meets the Secretary of the Interior’s professional qualifications for archaeology or one under the supervision of such a professional) to monitor, to the extent determined necessary by the archaeologist, Project-related earth-disturbing activities (e.g. grading, excavation, trenching). In the event that any prehistoric or historic-period subsurface archaeological features or deposits, including locally darkened soil (“midden”), that could conceal cultural deposits, animal bone, obsidian, and/or mortar are discovered during demolition/ construction-related earth-moving activities, all ground-disturbing activity within 100 feet of the discovery shall be halted immediately, and the Planning and Building Divisions shall be notified within 24 hours. City staff shall consult with the Project archeologist to assess the significance of the find. Impacts on any significant resources shall be mitigated to a less-than-significant level through data recovery or other methods determined adequate by the City and that are consistent with the Secretary of the Interior's Standards for Archaeological Documentation. If Native American archaeological, ethnographic, or spiritual resources are discovered, all identification and treatment of the resources shall be conducted by a qualified archaeologist and Native American representatives who are approved by the local Native American community as scholars of the cultural traditions. In the event that no such Native

American is available, persons who represent tribal governments and/or organizations in the locale in which resources could be affected shall be consulted. When historic archaeological sites or historic architectural features are involved, all identification and treatment is to be carried out by historical archaeologists or architectural historians who meet the Secretary of the Interior's professional qualifications for archaeology and/or architectural history (MM-CR-2.1).

- 12.39 Conduct Protocol and Procedures for Encountering Paleontological Resources at the West Campus: Prior to the start of any subsurface excavations that would extend beyond previously disturbed soils, all construction forepersons and field supervisors shall receive training by a qualified professional paleontologist, as defined by the Society of Vertebrate Paleontology (SVP), who is experienced in teaching non-specialists, to ensure they can recognize fossil materials and will follow proper notification procedures in the event any are uncovered during construction. Procedures to be conveyed to workers include halting construction within 50 feet of any potential fossil find and notifying a qualified paleontologist, who will evaluate its significance.

If a fossil is determined to be significant and avoidance is not feasible, the paleontologist will develop and implement an excavation and salvage plan in accordance with SVP standards. Construction work in these areas shall be halted or diverted to allow recovery of fossil remains in a timely manner. Fossil remains collected during the monitoring and salvage portion of the mitigation program shall be cleaned, repaired, sorted, and cataloged. Prepared fossils, along with copies of all pertinent field notes, photos, and maps, shall then be deposited in a scientific institution with paleontological collections. A final Paleontological Mitigation Plan Report shall be prepared that outlines the results of the mitigation program. The City shall be responsible for ensuring that monitor's recommendations regarding treatment and reporting are implemented (MM-CR-3.1).

- 12.40 Comply with State Regulations Regarding the Discovery of Human Remains at the West Campus: If human remains are discovered during any construction activities, all ground-disturbing activity within 50 feet of the remains shall be halted immediately, and the County Coroner shall be notified immediately, according to Section 5097.98 of the State Public Resources Code and Section 7050.5 of California's Health and Safety Code. Additionally, the Building Division shall be notified. If the remains are determined by the County Coroner to be Native American, the Native American Heritage Commission (NAHC) shall be notified within 24 hours, and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. The Applicant shall also retain a professional archaeologist with Native American burial experience to conduct a field investigation of the specific site and consult with the Most Likely Descendant, if any, identified by the NAHC. As necessary, the archaeologist may provide professional assistance to the Most Likely Descendant, including the excavation and removal of the human remains. The Planning Division shall be responsible for approval of

recommended mitigation as it deems appropriate, taking account of the provisions of state law, as set forth in CEQA Guidelines Section 15064.5(e) and Public Resources Code Section 5097.98. The applicant shall implement approved mitigation, to be verified by the Planning Division, before the resumption of ground-disturbing activities within 50 feet of where the remains were discovered (MM-CR-4.1).

13 GENERAL CONDITIONS:

- 13.1 Indemnity By Applicant: Applicant shall indemnify, defend and hold harmless the City, and its elective and appointive boards, commissions, officers, agents, contractors, and employees (collectively, City Indemnified Parties) from any and all claims, causes of action, damages, costs or expenses (including reasonable attorneys' fees) arising out of or in connection with, or caused on account of, the development and occupancy of the Project, any Approval with respect thereto, or claims for injury or death to persons, or damage to property, as a result of the operations of Applicant or its employees, agents, contractors, representatives or tenants with respect to the Project (collectively, Applicant Claims); provided, however, that the Applicant shall have no liability under this Section for Applicant Claims that (a) arise from the gross negligence or willful misconduct of any City Indemnified Party, or (b) arise from, or are alleged to arise from, the repair or maintenance by the City of any improvements that have been offered for dedication by the Applicant and accepted by the City.
- 13.2 Covenants Run with the Land. All of the conditions contained in this Conditional Development Permit shall run with the land comprising the Property and shall be binding upon, and shall inure to the benefit of the Applicant and its heirs, successors, assigns, devisees, administrators, representatives and lessees, except as otherwise expressly provided in this Conditional Development Permit.
- 13.3 Severability: If any condition of this Conditional Development Permit, or any part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or enforceable, such condition, or part hereof, shall be deemed severable from the remaining conditions of this Conditional Development Permit and shall in no way affect the validity of the remaining conditions hereof.
- 13.4 Exhibits: The exhibits referred to herein are deemed incorporated into this Conditional Development Permit in their entirety.

WEST CAMPUS TRIP CAP MONITORING AND ENFORCEMENT POLICY¹

The Facebook project includes both an East Campus and a West Campus. Entitlements are currently being sought for the West Campus. Therefore, this West Campus Trip Cap Monitoring and Enforcement Policy is specific to the West Campus.

DEFINITIONS

Trip – A single vehicle (car, truck, van, shuttle, etc.) arriving at a location in Menlo Park, whose occupant(s)' final destination is the West Campus, or a single vehicle departing from a location in Menlo Park, whose occupant(s)' origin is the West Campus. Therefore, for example, a roundtrip by a single vehicle arriving at a location in Menlo Park and departing from a location in Menlo Park whose occupant(s)' destination and origin is the West Campus equals two trips. A vehicle transiting from the East Campus to the West Campus or from the West Campus to the East Campus (except for a shuttle using the undercrossing) is a trip. Trips do not include bicycles or other self-powered modes of travel.

Peak Period – Roadway morning and evening commuter peak travel times:

- AM Peak Period - 7:00 AM to 9:00 AM
- PM Peak Period - 4:00 PM to 6:00 PM

Peak Period Trip Cap – The maximum number of trips in the AM Peak Period or the PM Peak Period.

Daily Trip Cap – The maximum number of trips per day.

Trip Cap – Generally refers to the AM Peak Period Trip Cap, the PM Peak Period Trip Cap and the Daily Trip Cap.

TRIP CAP

The Trip Cap is included in the Conditional Development Permit (CDP) for the project. Therefore, one way to think about the Trip Cap is in terms of building square footage. A CDP typically defines the maximum building square footage. Increases in building square footage that exceed the maximum permitted building square footage are not allowed without an application for and approval of a change to the CDP. Any increase in building square footage without the appropriate approval violates the CDP. The same is true for the Trip Cap. Facebook must comply with the Trip Cap and may not exceed the Trip Cap without an application for and approval of a change to the CDP. If the Trip Cap is exceeded without the appropriate approval, Facebook is in violation of the CDP.

¹ This Trip Cap Monitoring and Enforcement Policy was prepared by the City of Menlo Park in consultation with Facebook.

Exhibit A

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The Trip Cap proposed as part of Facebook's West Campus project definition is as follows:

- AM Peak Period Trip Cap: 1,100 trips
- PM Peak Period Trip Cap: 1,100 trips
- Daily Trip Cap: 6,350 trips

MONITORING

To monitor compliance with the Trip Cap, traffic counts shall be taken at the West Campus. The monitoring shall be done through automated means (e.g., imbedded loop detectors in the pavement in each travel lane or video detection) approved by the City.² All vehicular entrances to the West Campus shall be included in the monitoring. Facebook shall be solely responsible for paying all costs related to monitoring, including, but not limited to, development, installation, maintenance and repair of all monitoring equipment.

The City reserves the option to require Facebook to monitor neighborhood parking intrusion in the Belle Haven neighborhood, parking on other public streets in the City, or parking at any off-site parking lot(s) in Menlo Park (other than the East Campus) if it is observed or suspected that vehicles whose occupant(s)' final destination is the West Campus are parking at any of these locations. If the City requires monitoring of these off-site locations and, after investigation, it is confirmed that vehicle occupant(s) are parking vehicles at these off-site locations (other than the East Campus) to access the West Campus, the trips to these locations will be counted toward the Trip Cap.

Monitoring program details are as follows:

- **Monitoring Days/Times** – The AM Peak Period, the PM Peak Period and total daily trips will be monitored on all non-holiday weekdays. Holidays are those days identified as State holidays in California Government Code Section 6700. This is the condition evaluated in the certified Environmental Impact Report for the Facebook project.
- **Exclusions** – Two types of exclusions from the Trip Cap shall be permissible as discussed below:
 - **Special Events:** To account for special events and their effect on trips, Facebook may have up to 12 special event exclusions per year or 12 days on which one or more of the AM Peak Period Trip Cap, PM Peak Period Trip Cap or Daily Trip Cap are exceeded, but are not considered violations of the Trip Cap. These special events do not represent typical operating conditions at the West Campus. A special event will be defined as an activity that is not typical of the normal operations of the West Campus and will likely involve more than West Campus employees. If the Trip Cap has been violated as a result of a special event, Facebook shall provide documentation to the City that a special event took place. Upon City review and approval, in the City's sole and reasonable discretion, an exclusion for a special event shall apply.

² City approvals related to monitoring equipment will be through the Director of Public Works or his/her designee.

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- Non-event exclusions: For non-special events, Facebook will be allowed three days on which one or more of the AM Peak Period Trip Cap, PM Peak Period Trip Cap or Daily Trip Cap are exceeded within a 180 day period without incurring penalties. These non-event exclusion days are intended to allow Facebook time to correct the Trip Cap violation. If Facebook exceeds the Trip Cap on more than three days within a 180 day period, then the non-event exclusion is eliminated and penalties are imposed for violations of the Trip Cap until compliance is reached for a consecutive 180 day period. Additional violations, if any, within the 180 day compliance period, will re-set the 180 day compliance period. If after a consecutive 180 day period, Facebook remains in full compliance with the Trip Cap, then the three day exclusion is available again.
- **Count Equipment** – Automated count equipment will be designed and constructed at Facebook’s sole expense to collect data on the number of trips at the three West Campus driveways and send the data back to the City offices. The type of count equipment (initial and any future changes) shall be approved by the City, in consultation with Facebook and considering the latest technologies for detection, counting and reporting. The City shall not unreasonably withhold approval of initial count equipment or any future equipment which achieves the result envisioned in this document. The City shall also approve the count equipment that will be used to monitor off-site locations, if the City exercises the option to require such monitoring. The City shall not unreasonably withhold approval of such additional count equipment.
- **Initial Calibration Process** – Once the count equipment has been established, a calibration process will be undertaken to determine the reliability and accuracy of the count equipment. Depending on the type of equipment, the count accuracy can be affected by a number of environmental factors which will need to be confirmed. This calibration process would be conducted prior to final building permit sign-off for occupancy of the West Campus.
- **Determination of Reliability (Sensitivity) Factor** – Based on the calibration analysis, the City and Facebook will agree to a reliability factor for the count stations which will be used to evaluate the count results. The reliability factor would represent the margin of error inherent in the vehicle counting equipment, and would address the exclusion of trips whose final destination is not the West Campus (i.e. wrong turns, uninvited guests, etc).
- **Periodic Count Equipment Testing/Recalibration** – The vehicle detection system will be periodically tested to ensure the accuracy of the monitoring counts. During the first two years of operation, testing will be conducted at six month intervals. If these tests show that the system is operating reliably, then testing can be reduced to once a year. If the equipment is thought to be out of calibration, Facebook will work with the City to test and calibrate the equipment if necessary. The City will have final approval, which approval shall be granted or withheld in a reasonable manner, on all testing and calibration.
- **Installation and Repairs** – The count equipment shall be installed and in good working order prior to final building permit sign-off for occupancy of the West Campus. The City shall have

final approval, which approval shall be granted or withheld in a reasonable manner, of the contractor completing the installation and the maintenance contractor completing any repairs. Non-emergency repairs and maintenance of the monitoring equipment shall occur only on evenings and weekends, unless otherwise approved by the City. The Transportation Division shall be notified at least 48 hours in advance of any non-emergency repairs or maintenance work. The City Transportation Division shall be notified within 24 hours of any emergency repairs. City inspection and approval of any repairs or maintenance is required. Failure to keep monitoring equipment operational in good working order will be considered a violation of the Trip Cap after two working days, unless the repairs/maintenance require additional time as approved by the City and Facebook is diligently pursuing such repairs/maintenance. The Trip Cap penalty will not be enforced during the repair/maintenance of the monitoring equipment. If the City, in its sole and reasonable discretion, determines that Facebook is not diligently pursuing the repairs/maintenance, the City may elect to perform the repairs/maintenance and charge the cost of the repair/maintenance, staff time, and 15 percent penalty fee to Facebook.

- **Access to Count Equipment/Reporting** – The City shall have the ability to access the count equipment at any time after reasonable prior notice to Facebook. Facebook will not have access to the count equipment, unless approved by the City or in case of the need for emergency repairs. The City shall not unreasonably withhold approval of access for repair/maintenance contractors. Facebook shall have “read-only” access to the reporting data, but shall have the ability to record such data and run history reports in order to track trends. Reporting data shall be provided to Facebook and the City in real time. Real time data will provide Facebook the opportunity to take immediate action, if necessary, to avoid violating the Trip Cap.

ENFORCEMENT

Facebook shall be responsible not only for monitoring, but also for achieving compliance with the Trip Cap, which includes, by definition, all three trip cap measurements on a daily basis (the AM Peak Period Trip Cap, the PM Peak Period Trip Cap and the Daily Trip Cap). The City shall enforce compliance with the Trip Cap.

If, on a given day, the results of the monitoring indicate that the number of trips is at or below the Trip Cap, considering the reliability factor, then Facebook is considered in compliance. If, however, the monitoring, considering the reliability factor, reveals that the AM Peak Period Trip Cap or the PM Peak Period Trip Cap or the Daily Trip Cap has been exceeded, Facebook is in violation of its CDP and the City may take steps to enforce the Trip Cap.

The specifics for enforcement are as follows:

- **Threshold** – If there are AM Peak Period Trip Cap, PM Peak Period Trip Cap or Daily Trip Cap violations that do not qualify for an exclusion as discussed above, then penalties will be imposed.

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- Penalties** – Monetary penalties will be imposed for violations of the Trip Cap in excess of the threshold. Penalties are calculated on a per trip basis and progressively increasing penalties will be imposed for subsequent violation(s) of the Trip Cap based on a tiered system described in the table below. Penalties will be applied for each violation including the AM Peak Period, PM Peak Period and the Daily Period. If the AM Peak Period Trip Cap, and/or PM Peak Period Trip Cap and Daily Trip Cap are exceeded on the same day, the penalty paid shall be the greater of the sum of the penalties for the AM Peak Period and PM Peak Period or the Daily penalty. The penalty payment schedule is shown in the table below (in 2012 dollars). The base penalties shall be adjusted annually as set forth below (the intent is for the same penalty rate to apply to both the East and West Campuses):

Penalty Tier ₁	Applicability	Penalty Amount
Tier 1	Tier 1 is the default tier and applies for the month unless one of the other tiers is applicable.	\$50 per trip per day
Tier 2	Tier 2 applies for the month if either (a) penalties were imposed in both of the 2 months immediately preceding that month or (b) penalties were imposed in any 4 of the 6 months immediately preceding that month. Tier 2 will not apply if Tier 3 applies.	\$100 per trip per day
Tier 3	Tier 3 applies for the month if penalties were imposed in each of the 6 months immediately preceding that month.	\$200 per trip per day

¹ Only one tier is applicable for any given violation

An example table showing the penalty amounts:

Penalty Cost Per Day			
Vehicles over Trip cap	Tier 1	Tier 2	Tier 3
100	\$5,000	\$10,000	\$20,000
500	\$25,000	\$50,000	\$100,000
1000	\$50,000	\$100,000	\$200,000
2000	\$100,000	\$200,000	\$400,000

Example calculations

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Daily penalty greater:

AM Peak Period exceeds the AM Peak Period Trip Cap by 100 trips
PM Peak Period exceeds the PM Peak Period Trip Cap by 50 trips
Daily trips exceed the Daily Trip Cap by 400 trips

The payment would be:

AM Peak Period penalty = 100 trips x \$50/trip = \$5,000

PM Peak Period penalty = 50 trips x \$50/trip = \$2,500

Total Peak Period penalty = \$7,500

Daily penalty = 400 trips x \$50/trip = \$20,000

Penalty Paid = \$20,000

AM Peak Period and PM Peak Period penalty greater:

AM Peak Period exceeds the AM Peak Period Trip Cap by 100 trips
PM Peak Period exceeds the PM Peak Period Trip Cap by 50 trips
Daily trips exceed the Daily Trip Cap by 100 trips

The payment would be:

AM Peak Period penalty = 100 trips x \$50/trip = \$5,000

PM Peak Period penalty = 50 trips x \$50/trip = \$2,500

Total Peak Period penalty = \$7,500

Daily penalty = 100 trips x \$50/trip = \$5,000

Penalty Paid = \$7,500

The base penalties are stated in 2012 dollars and shall be adjusted annually per the Consumer Price Index for All Urban Consumers All Items in the San Francisco-Oakland-San Jose Metropolitan Area [1982-84=100] (the intent is for the same penalty rate to apply to both the East and West Campuses). Penalties are due and payable to the City within 30 days of the issuance of an invoice, which the City shall issue on a monthly basis. The City shall use the penalties collected for programs or projects designed to reduce trips or traffic congestion within Menlo Park and the City shall share 25 percent of the penalties collected with the City of East Palo Alto for use on transportation systems and solutions that help reduce traffic in the City of East Palo Alto around the East and West Campuses. In addition to monetary penalties, failure to comply with the Trip Cap is considered a violation of the CDP and could result in revocation of the CDP.

Violations of the Trip Cap for the East Campus are independent of violations of the West Campus Trip Cap. This means, for instance, that if there are violations of the Trip Cap at the East Campus for the six months immediately preceding a particular month, but there are no

Exhibit A

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violations of the Trip Cap at the West Campus during that same period, Tier 3 would be applicable to the East Campus and Tier 1 would be applicable to the West Campus.

- **Interim Measure** – If Facebook determines that it needs to secure parking in another location as an interim measure to maintain compliance with the Trip Cap, Facebook may, through the City’s entitlement process, obtain approval for the use of another private property in Menlo Park (not the East or West Campus) that includes both a building and associated parking. Trips to such an off-site location will not count toward the Trip Cap only if there will be no more trips to that off-site location than is allowed under the then current use of that property.
- **Compliance** – If after non-compliance, Facebook comes back into compliance with the Trip Cap and maintains compliance for 180 consecutive days, the scale of penalties will revert to the base level and the relevant threshold would once again apply before there is non-conformance and the onset of penalties.

ORDINANCE NO.**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
APPROVING THE DEVELOPMENT AGREEMENT WITH GIANT
PROPERTIES, LLC FOR THE PROPERTY LOCATED AT 312 AND 313
CONSTITUTION DRIVE**

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

SECTION 1. This Ordinance is adopted under the authority of Government Code Section 65864 *et. seq.* and pursuant to the provisions of City Resolution No. 4159, which establishes procedures and requirements for the consideration of developments within the City of Menlo Park (“City”).

SECTION 2. This Ordinance incorporates by reference that certain Development Agreement, 312 and 313 Constitution Drive, Menlo Park, CA [APNs 055-260-210 and 220] (“Development Agreement”) by and between the City and Giant Properties, LLC (“Developer”), attached hereto as Exhibit A and incorporated herein by this reference.

SECTION 3. The City, as lead agency, prepared an Environmental Impact Report (“EIR”) pursuant to the California Environmental Quality Act (“CEQA”) that examined the environmental impacts of an increase in employee density at the property located at 1601 Willow Road, now 1 Hacker Way (“East Campus”), and the redevelopment of the property located at 312 and 313 Constitution Drive (“Property” or “West Campus”). On May 29, 2012, the City Council certified the EIR. Subsequently, the Developer re-designed the West Campus development proposal analyzed in the certified EIR. The City prepared an Addendum to the EIR pursuant to CEQA to examine the environmental effects of the redesign of the West Campus. On March 19, 2013, the City Council considered the Addendum to the EIR and made findings that a subsequent or supplemental EIR was not required for the redesign of the West Campus.

SECTION 4. The City Council finds that the following are the relevant facts concerning the Development Agreement:

1. The General Plan land use designation for the Property is Limited Industry and the Zoning proposed for the Property is M-2-X (General Industrial - Conditional Development District).

2. Developer proposes a unified development on the Property consisting of two lots totaling 22.12 acres (963,682 square feet).

3. Developer proposes to demolish two buildings totaling approximately 127,426 square feet and to redevelop the Property with one building totaling no more than 433,656 square feet in one floor plate over approximately 1,499 parking spaces.

SECTION 5. As required by Section 301 of Resolution No. 4159 and based on an analysis of the facts set forth above, the City Council hereby adopts the following as its findings:

1. The Development Agreement is consistent with the objectives, policies, general land uses and programs specified in the General Plan, as amended by the Project Approvals, as that term is defined in the Development Agreement.

2. The Development Agreement is compatible with the uses authorized in and the regulations prescribed for the land use district in which the Property is located, as amended by the Project Approvals.

3. The Development Agreement is in conformity with public convenience, general welfare and good land use practices.

4. The Development Agreement will not be detrimental to the health, safety and general welfare of the City or the region surrounding the City.

5. The Development Agreement will not adversely affect the orderly development of property or the preservation of property values within the City.

6. The Development Agreement will promote and encourage the development of the Project by providing a greater degree of certainty with respect thereto.

7. The Development Agreement will result in the provision of public benefits by the Applicant, including, but not limited to, financial commitments.

SECTION 6. If any section of this ordinance, or part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or enforceable, such section, or part hereof, shall be deemed severable from the remaining sections of this ordinance and shall in no way affect the validity of the remaining sections hereof.

SECTION 7. The ordinance shall take effect 30 days after its passage and adoption. Within 15 days of its adoption, the ordinance shall be posted in three public places within the City, and the ordinance, or a summary of the ordinance prepared by the City Attorney, shall be published in a local newspaper used to publish official notices for the City prior to the effective date.

***** The remainder of the Page left blank intentionally *****

INTRODUCED, PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the twenty-sixth day of March, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Peter Ohtaki
Mayor, City of Menlo Park

ATTEST:

Margaret S. Roberts, MMC
City Clerk

This document is recorded for the benefit of the City of Menlo Park and is entitled to be recorded free of charge in accordance with Sections 6103 and 27383 of the Government Code.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
City of Menlo Park
Attn: City Clerk
701 Laurel Street
Menlo Park, CA 94025

DEVELOPMENT AGREEMENT
312 & 313 CONSTITUTION DRIVE, MENLO PARK, CA
[APNs 055-260-210 & 220]

SEPARATE PAGE, PURSUANT TO GOVT. CODE 27361.6

THIS DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into as of this ___ day of _____, 2013, by and between the City of Menlo Park, a municipal corporation of the State of California (“City”) and Giant Properties, LLC, a Delaware limited liability company (“Owner”), pursuant to the authority of California Government Code Sections 65864-65869.5 and City Resolution No. 4159.

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the City and Owner:

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864-65869.5 authorizing the City to enter into development agreements in connection with the development of real property within its jurisdiction by qualified applicants with a requisite legal or equitable interest in the real property which is the subject of such development agreements.

B. As authorized by Government Code Section 65865(c), the City has adopted Resolution No. 4159 establishing the procedures and requirements for the consideration of development agreements within the City.

C. Owner owns those certain parcels of real property collectively and commonly known as 312 and 313 Constitution Drive, in the City of Menlo Park, California (“Property” or “West Campus”) as shown on Exhibit A attached hereto and being more particularly described in Exhibit B attached hereto.

D. Owner intends to demolish all existing structures on the Property and to construct the Project (as defined in this Agreement) on the Property in accordance with the Project Approvals and any other Approvals.

E. Owner (and/or its affiliates) intends to occupy the Property in accordance with the Project Approvals and any other Approvals (as such terms are defined in this Agreement).

F. The City examined the environmental effects of the redevelopment of the West Campus and the Facebook East Campus Project (as defined in this Agreement) in an Environmental Impact Report (“EIR”) prepared pursuant to the California Environmental Quality Act (“CEQA”). On May 29, 2012, the City Council of the City reviewed and certified the EIR. Following such certification, Owner redesigned the West Campus program analyzed in the certified EIR and the City prepared an Addendum to the EIR (as defined in this Agreement) pursuant to CEQA to examine the environmental

effects of the Project that resulted from the redesign. On March 19, 2013, the City Council of the City considered the Addendum to the EIR and made findings that a subsequent or supplemental environmental impact report was not required.

G. The City has determined that the Project is a development for which a development agreement is appropriate. A development agreement will eliminate uncertainty in the City's land use planning for, and secure orderly development of, the Project and otherwise achieve the goals and purposes for which Resolution No. 4159 was enacted by City. The Project will generate the public benefits described in this Agreement, along with other fees for the City. Owner will incur substantial costs in order to comply with the conditions of the Approvals and otherwise in connection with the development of the Project. In exchange for the public benefits and other benefits to the City and the public, Owner desires to receive vested rights, including, without limitation, legal assurances that the City will grant permits and approvals required for the development, occupancy and use of the Property and the Project in accordance with the Existing City Laws (as defined in this Agreement), subject to the terms and conditions contained in this Agreement. In order to effectuate these purposes, the City and Owner desire to enter into this Agreement.

H. On February 25, 2013, after conducting a duly noticed public hearing pursuant to Resolution No. 4159, the Planning Commission of the City recommended that the City Council approve this Agreement, based on the following findings and determinations: that this Agreement (1) is consistent with the objectives, policies, general land uses and programs specified in the General Plan (as defined in this Agreement); (2) is compatible with the uses authorized in and the regulations prescribed for the land use district in which the Property is located; (3) conforms with public convenience, general welfare and good land use practices; (4) will not be detrimental to the health, safety and general welfare of the City or the region surrounding the City; (5) will not adversely affect the orderly development of property or the preservation of property values within the City; and (6) will promote and encourage the development of the Project by providing a greater degree of certainty with respect thereto.

I. Thereafter, on March 19, 2013, the City Council held a duly noticed public hearing on this Agreement pursuant to Resolution No. 4159. The City Council made the same findings and determinations as the Planning Commission. On that same date, the City Council made the decision to approve this Agreement by introducing Ordinance No. ____ ("Enacting Ordinance"). A second reading was conducted on the Enacting Ordinance on April 2, 2013, at which the City Council adopted the Enacting Ordinance, making the Enacting Ordinance effective on May 2, 2013.

NOW, THEREFORE, pursuant to the authority contained in Government Code Sections 65864-65869.5 and Resolution No. 4159, and in consideration of the mutual

covenants and promises of the City and Owner herein contained, the City and Owner agree as follows:

1. Definitions. Each reference in this Agreement to any of the following terms shall have the meaning set forth below for each such term. Certain other terms shall have the meaning set forth for such term in this Agreement.

1.1. Approvals. Any and all permits or approvals of any kind or character required under the City Laws in order to authorize and entitle Owner to complete the Project and to develop and occupy the Property in accordance with the terms of the Project including, but not limited to, the items described in the Project Approvals (as defined in this Agreement).

1.2. City Laws. The ordinances, resolutions, codes, rules, regulations and official policies of the City governing the permitted uses of land, density, design, and improvement applicable to the development of the Property. Specifically, but without limiting the generality of the foregoing, the City Laws shall include the General Plan and the City's Zoning Ordinance.

1.3. City Manager. The City Manager or his or her designee as designated in writing from time to time. Owner may rely on the authority of the designee of the City Manager.

1.4. City Wide. Any City Law, Fee or other matter that is generally applicable to one or more kinds or types of development or use of property wherever located in the City. A City Law, Fee or other matter shall not be City Wide if, despite its stated scope, it applies only to the Property or to one or more parcels located within the Property, or if the relevant requirements are stated in such a way that they apply only to all or a portion of the Project.

1.5. Community Development Director. The City's Community Development Director or his or her designee.

1.6. Conditional Development Permit. The conditional development permit approved by the City Council for the development of the Project.

1.7. Conditions. All Fees, conditions, dedications, reservation requirements, obligations for on- or off-site improvements, services, other monetary or non-monetary requirements and other conditions of approval imposed, charged by or called for by the City in connection with the development of or construction on real property under the Existing City Laws, whether such conditions constitute public improvements, mitigation measures in connection with environmental review of any project or impositions made under applicable City Laws.

1.8. Default. As to Owner, the failure of Owner to comply substantially and in good faith with any obligations of Owner under this Agreement; and as to the City, the failure of the City to comply substantially and in good faith with any obligations of City under this Agreement; any such failure by Owner or the City shall be subject to cure as provided in this Agreement.

1.9. Effective Date. The effective date of the Enacting Ordinance pursuant to Government Code Section 65867.5, as specified in Recital I of this Agreement.

1.10. Existing City Laws. The City Laws in effect as of the Effective Date.

1.11. Facebook East Campus Project. The use and occupancy of the 1 Hacker Way property (formerly known as 1601 Willow Road) pursuant to the Amended and Restated Conditional Development Permit, 1601 Willow Road Development Agreement, and other project approvals for 1 Hacker Way (formerly known as 1601 Willow Road) in the City of Menlo Park.

1.12. Fees. All exactions, costs, fees, in-lieu fees, payments, charges and other monetary amounts imposed or charged by the City in connection with the development of or construction on real property under Existing City Laws. Fees shall not include Processing Fees.

1.13. General Plan. Collectively, the General Plan for the City adopted by the City Council on November 30 and December 1, 1994, as previously amended and in effect as of the Effective Date.

1.14. Laws. The laws and Constitution of the State of California, the laws and Constitution of the United States and any state or federal codes, statutes, executive mandates or court decisions thereunder. The term "Laws" shall exclude City Laws.

1.15. Mitigation Measures. The mitigation measures applicable to the Project, developed as part of the EIR process and required to be implemented through the MMRP and the Conditional Development Permit.

1.16. MMRP. The Mitigation Monitoring and Reporting Plan adopted as part of the Project Approvals and applicable to the Project.

1.17. Mortgage. Any mortgage, deed of trust or similar security instrument encumbering the Property, any portion thereof or any interest therein.

1.18. Mortgagee. With respect to any Mortgage, any mortgagee or beneficiary thereunder.

1.19. Party. Each of the City and Owner and their respective successors, assigns and transferees (collectively, "Parties").

1.20. Processing Fee. A fee imposed by the City upon the submission of an application or request for a permit or Approval, which is intended to cover only the estimated cost to the City of processing such application or request and/or issuing such permit or Approval and which is applicable to similar projects on a City Wide basis, including but not limited to building permit plan check and inspection fees, public works, engineering and transportation plan check and inspection fees, subdivision map application, review and processing fees, fees related to the review, processing and enforcement of the MMRP, and fees related to other staff time and attorney's time incurred to review and process applications, permits and/or Approvals; provided such fees are not duplicative of or assessed on the same basis as any Fees.

1.21. Project. The uses of the Property, the site plan for the Property and the Vested Elements (as defined in Section 3.1), as authorized by or embodied within the Project Approvals and the actions that are required pursuant to the Project Approvals. Specifically, the Project includes the demolition of the existing structures on the Property and the construction of a new office building and certain onsite and offsite improvements as more particularly described in the Project Approvals.

1.22. Project Approvals. The following approvals for the Project granted, issued and/or enacted by the City as of the date of this Agreement, as amended, modified or updated from time to time: (a) this Agreement; (b) the statement of overriding considerations and adoption of the MMRP and other actions in connection with environmental review of the Project; (c) the ordinance rezoning the Property from M-2 to M-2(x); (d) the Conditional Development Permit; (d) the BMR Agreement; (e) the lot line adjustment; and (f) the heritage tree removal permits.

1.23. Public Works Director. The City's Public Works Director or his or her designee.

1.24. Resolution No. 4159. City Resolution No. 4159 entitled "Resolution of the City Council of the City of Menlo Park Adopting Regulations Establishing Procedures and Requirements for Development Agreements" adopted by the City Council of the City of Menlo Park on January 9, 1990.

1.25. Substantially Complete Building Permit Application. Owner's completed or substantially completed application for a building permit for the office building to be built as part of the Project as reasonably determined by the City's Building Official applied in a manner consistent with City's standard practices in effect at the time of building permit submittal, accompanied by (i) payment of all Processing Fees and other fees required to be submitted with such application and (ii) plans/required

submittals for all associated on-site and off-site improvements and parking associated with such building, all as described in the Conditional Development Permit.

2. Effective Date; Term.

2.1. Effective Date. This Agreement shall be dated and the rights and obligations of the Parties hereunder shall be effective as of the Effective Date. Not later than ten (10) days after the Effective Date, the City and Owner shall execute and acknowledge this Agreement, and the City shall cause this Agreement to be recorded in the Official Records of the County of San Mateo, State of California as provided for in Government Code Section 65868.5. However, the failure to record this Agreement within the time period provided for in Government Code Section 65868.5 shall not affect its validity or enforceability among the Parties.

2.2. Term. This Agreement shall terminate five (5) years from the Effective Date (subject to Section 16.1), provided that if Owner submits a Substantially Complete Building Permit Application prior to such termination and the City subsequently issues final building permit sign off allowing occupancy of the Project, then the term of this Agreement shall continue until the latest of: (a) the earlier of (i) Owner and Facebook, Inc. ("Facebook") vacating the West Campus or (ii) February 6, 2026; (b) the expiration of the Recurring Benefit Payment obligation (as defined in this Agreement); or (c) the expiration of the Property Tax Guaranty (as defined in this Agreement).

2.3. Expiration of Term. Except as otherwise provided in this Agreement or any of the Approvals, upon the expiration of the term of this Agreement, (a) this Agreement, and the rights and obligations of the Parties under this Agreement, shall terminate; (b) the Property shall remain subject to the Conditional Development Permit; and (c) Owner shall thereafter comply with the provisions of the City Laws then in effect or thereafter enacted and applicable to the Property and/or the Project, except that the expiration of the term of this Agreement shall not affect any rights of Owner that are or would be vested under City Laws in the absence of this Agreement or any other rights arising from Approvals granted or issued by the City for the construction or development of all or any portion of the Project.

3. General Development of the Project.

3.1. Project. Owner shall have the vested right to develop and occupy the Property in accordance with the terms and conditions of this Agreement and the Project Approvals, and any additional Approvals for the Project and/or the Property obtained by Owner, as the same may be amended from time to time upon application by Owner; and City shall have the right to control development of the Property in accordance with the provisions of this Agreement, so long as this Agreement remains

effective, and the Approvals for the Project and/or the Property. Except as otherwise specified herein, until the expiration or earlier termination of this Agreement, this Agreement, the Approvals and the Existing City Laws shall control the overall development, use and occupancy of the Property, and all improvements and appurtenances in connection therewith, including, without limitation, the density and intensity of use ("Vested Elements"), and all Mitigation Measures and Conditions required or imposed in connection with the Project Approvals in order to minimize or eliminate environmental impacts of the Project.

3.2. Subsequent Projects. The City agrees that as long as Owner develops and occupies the Project in accordance with the terms of this Agreement, Owner's right to develop and occupy the Property shall not be diminished despite the impact of future development in the City on public facilities, including, without limitation, City streets, water systems, sewer systems, utilities, traffic signals, sidewalks, curbs, gutters, parks and other City owned public facilities that may benefit the Property and other properties in the City.

3.3. Other Governmental Permits. Owner or City (whichever is appropriate) shall apply for such other permits and approvals from governmental or quasi-governmental agencies other than the City having jurisdiction over the Project (e.g. the California Department of Transportation) as may be required for the development of or provision of services to the Project; provided, however, that City shall not apply for any such permits or approvals without Owner's prior written approval. The City shall use its best efforts to promptly and diligently cooperate, at no cost to the City, with Owner in its endeavors to obtain such permits and approvals and, from time to time at the request of Owner, shall proceed with due diligence and in good faith to negotiate and/or enter into binding agreements with any such entity in order to assure the availability of such permits and approvals or services. All such applications, approvals, agreements, and permits shall be obtained at Owner's cost and expense, including payment of City staff time in accordance with standard practices, and Owner shall indemnify City for any liabilities imposed on City arising out of or resulting from such applications, permits, agreements and/or approvals. The indemnifications set forth in this Section 3.3 shall survive the termination or expiration of this Agreement. To the extent allowed by applicable Laws, Owner shall be a party or third party beneficiary to any such agreement between City and such agencies and shall be entitled to enforce the rights of Owner or the City thereunder and/or the duties and obligations of the parties thereto.

3.4. Additional Fees. Except as set forth in this Agreement and the Project Approvals, the City shall not impose any further or additional fees (including, without limitation, any fees, taxes or assessments not in existence as of the Effective Date or not applicable to the Project in accordance with the Existing City Laws, the

Project Approvals and this Agreement), whether through the exercise of the police power, the taxing power, or any other means, other than those set forth in the Project Approvals, the Existing City Laws and this Agreement. In addition, except as set forth in this Agreement, the base or methodology for calculating all such Fees applicable to the construction and development of the Project shall remain the same for such Fees as in effect as of the Effective Date. Notwithstanding the foregoing, the following provisions shall apply:

3.4.1. If the City forms an assessment district including the Property, and the assessment district is City Wide or applies to all M-2 Zoned properties and is not duplicative of or intended to fund any matter that is covered by any Fee payable by Owner, the Property may be legally assessed through such assessment district based on the benefit to the Property (or the methodology applicable to similarly situated properties), which assessment shall be consistent with the assessments of other properties in the district similarly situated. In no event, however, shall Owner's obligation to pay such assessment result in a cessation or postponement of development and occupancy of the Property or affect in any way Owner's development rights for the Project.

3.4.2. The City may charge Processing Fees to Owner for land use approvals, building permits, encroachment permits, subdivision maps, and other similar permits and approvals which are in force and effect on a City Wide basis or applicable to all M-2 Zoned properties at the time Owner submits an application for those permits.

3.4.3. If the City exercises its taxing power in a manner which will not change any of the Conditions applicable to the Project, and so long as any new taxes or increased taxes are uniformly applied on a City Wide basis or applied uniformly to M-2 Zoned properties, the Property may be so taxed, which tax shall be consistent with the taxation of other properties in the City similarly situated.

3.4.4. If, as of the Effective Date, the Existing City Laws under which the Fees applicable to the Project have been imposed provide for automatic increases in Fees based upon the consumer price index or other method, then the Project shall be subject to any such increases in such Fees resulting solely from the application of any such index or method in effect on the Effective Date.

3.4.5. If Laws are adopted by the State of California or the federal government which impose fees on new or existing projects, such fees shall be applicable to the Project.

3.5. Effect of Agreement. This Agreement, the Project Approvals and all plans and specifications upon which such Project Approvals are based (as the same may be modified from time to time in accordance with the terms of the Project

Approvals), including but not limited to the Conditional Development Permit, shall constitute a part of the Enacting Ordinance, as if incorporated by reference therein in full.

3.6. Review and Processing of Approvals. The City shall accept, review and shall use its best efforts to expeditiously process Owner's applications and requests for Approvals in connection with the Project in good faith and in a manner which complies with and is consistent with the Project Approvals and this Agreement. The City shall approve any application or request for an Approval which complies and is consistent with the Project Approvals. Owner shall provide the City with the Processing Fees, applications, documents, plans, materials and other information necessary for the City to carry out its review and processing obligations. Owner shall submit all applications and requests for Approvals in the manner required under applicable City Laws in effect as of the time of such submittal. The Parties shall cooperate with each other and the City shall use its best efforts to cause the expeditious review, processing and issuance of the approvals and permits for the development and occupation of the Project in accordance with the Project Approvals.

4. Specific Criteria Applicable to the Project.

4.1. Applicable Laws and Standards. Notwithstanding any change in any Existing City Law, including, but not limited to any change by means of ordinance, resolution, initiative, referendum, policy or moratorium, and except as otherwise expressly provided in this Agreement, the laws and policies applicable to the Property are and shall be as set forth in Existing City Laws (regardless of future changes in Existing City Laws by the City) and the Project Approvals. Owner shall also have the vested right to develop and occupy or to cause the Property to be developed and occupied in accordance with the Vested Elements; provided that the City may apply and enforce the California Building Code as amended and adopted by the City (including the Mechanical Code, Electrical Code and Plumbing Code) and the California Fire Code as amended and adopted by the City and/or the Menlo Park Fire Protection District, as such codes may be in effect at the time Owner applies for building permits for any aspect of the Project. Without limiting the generality of the foregoing, except as otherwise expressly provided in this Agreement, during the term of this Agreement, the City shall not, without the prior written consent of Owner: (a) apply to the Project any new or amended ordinance, resolution, rule, regulation, requirement or official policy that is inconsistent with any Existing City Laws or Approvals and that would have the effect of delaying, preventing, adversely affecting or imposing any new or additional condition with respect to the Project; or (b) apply to the Project or any portion thereof any new or amended ordinance, resolution, rule, regulation, requirement or official policy that requires additional discretionary review or approval for the proposed development, use and/or occupancy of the Project.

4.2. Application of New City Laws. Nothing herein shall prevent the City from applying to the Property new City Laws that are not inconsistent or in conflict with the Existing City Laws or the intent, purposes or any of the terms, standards or conditions of this Agreement, and which do not affect the Vested Elements, impose any further or additional fees or impose any other conditions on the Project, including, without limitation, those requiring additional traffic improvements/requirements or additional off-site improvements, that are inconsistent with this Agreement or the intent of this Agreement. Any action or proceeding of the City that has any of the following effects on the Project shall be considered in conflict with this Agreement and the Existing City Laws:

4.2.1. Limiting or reducing the density or intensity of use of the Property;

4.2.2. Limiting grading or other improvements on the Property in a manner that is inconsistent with or more restrictive than the limitations included in the Project Approvals; or

4.2.3. Applying to the Project or the Property any law, regulation, or rule restricting or affecting a use or activity otherwise allowed by the Project Approvals.

The above list of actions is not intended to be comprehensive, but is illustrative of the types of actions that would conflict with this Agreement and the Existing City Laws.

4.3. Timing. Without limiting the foregoing, no moratorium or other limitation affecting the development and occupancy of the Project or the rate, timing or sequencing thereof shall apply to the Project.

4.4. Subsequent Environmental Review. The Parties acknowledge and agree that the EIR and the Addendum to EIR contain a thorough environmental analysis of the Project and the Project alternatives, and specifies the feasible Mitigation Measures available to eliminate or reduce to an acceptable level the environmental impacts of the Project. The Parties further acknowledge and agree that the EIR and Addendum to EIR provide an adequate environmental analysis for the City's decisions to authorize Owner to proceed with the Project as embodied in the Project Approvals and this Agreement and subsequent development of the Project during the term of this Agreement. The Mitigation Measures imposed are appropriate for the implementation of proper planning goals and objectives and the formulation of Project conditions of approval. In view of the foregoing, the City agrees that the City will not require another or additional environmental impact report or environmental review for any subsequent Approvals implementing the Project. Owner shall defend, indemnify and hold the City harmless from any costs or liabilities incurred by the City in connection with any

litigation seeking to compel the City to perform additional environmental review of any subsequent Approvals.

4.5. Easements; Improvements. The City shall cooperate with Owner in connection with any arrangements for abandoning existing easements and facilities and the relocation thereof or creation of any new easements within the Property or the undercrossing necessary or appropriate in connection with the development of the Project. If any such easement is owned by the City or an agency of the City, the City or such agency shall, at the request of Owner, take such action and execute such documents as may be reasonably necessary in order to abandon and relocate such easement(s) as necessary or appropriate in connection with the development of the Project in accordance with the Project Approvals. All on-site and off-site improvements required to be constructed by Owner pursuant to this Agreement, including those set forth in the Project Approvals, shall be constructed by Owner.

5. Conditions Precedent. Owner's obligations (if any) under Sections 6 through 13 inclusive are expressly conditioned on the resolution of all legal challenges, if any, to the Addendum to EIR, the Project Approvals and the Project (the "Legal Challenges Condition"), and the City's issuance of a building permit for the construction of the office building to be built as part of the Project. If no litigation or referendum is commenced challenging the Addendum to EIR, the Project Approvals and/or the Project, then the Legal Challenges Condition will be deemed satisfied 90 days after the Effective Date. If litigation or a referendum is commenced challenging the Addendum to EIR, the Project Approvals and/or the Project, then the Legal Challenges Condition will be deemed satisfied on the date of final, non-appealable resolution of all litigation in a manner that is reasonably acceptable to Owner or resolution of the referendum in a manner that is reasonably acceptable to Owner. The conditions described in this Section 5 shall, collectively, be referred to as the "Conditions Precedent".

6. One Time Public Benefit; Capital Improvement. Within 60 days of the later of (a) City sign off on final building permits allowing occupancy of the West Campus by Owner and (b) Owner's receipt of City's request for payment, Owner shall make a one-time payment of One Hundred Thousand Dollars (\$100,000) to the City for the City's unrestricted use toward capital improvement projects that benefit the adjacent Belle Haven neighborhood as determined by the City Council. The benefit under this Section 6 shall not be payable unless the City signs off on building permits allowing occupancy by Owner of the building to be built on the West Campus.

7. On-Going Public Benefits, Conditions.

7.1 Recurring Public Benefit Payment. Owner will make an annual payment of One Hundred Fifty Thousand Dollars (\$150,000.00) per year ("Recurring

Public Benefit Payment”) to the City for ten years for a total of One Million Five Hundred Thousand Dollars (\$1,500,000.00). The first payment of the Recurring Public Benefit Payment will be due and payable on July 1 of the City’s fiscal year commencing after City sign off on final building permits allowing occupancy by Owner of the building to be built on the West Campus. Subsequent payments of the Recurring Public Benefit Payment will be due and payable in full to the City on July 1 of each fiscal year thereafter for which the Recurring Public Benefit Payment is payable. The Recurring Public Benefit Payment will be payable for this ten (10) year period with no proration, reduction or suspension and shall survive the termination of this Agreement. The benefit under this Section 7.1 shall not be payable unless the City signs off on building permits allowing occupancy by Owner of the building to be built on the West Campus.

7.2 Property Tax Guaranty. Commencing with the first tax fiscal year following the initial reassessment of the Property by the San Mateo County Assessor (the “Assessor”) following completion of the Project and the initial occupancy of the West Campus by Owner, and for a total period of ten (10) years following such initial reassessment, Owner agrees to pay to the City the positive difference (if any) between (a) the real and personal property tax revenues the City would receive for a given tax fiscal year assuming the assessed value of the Property (land and improvements) and personal property and fixtures situated at the Property is the greater of \$230,085,000 or the initial reassessed value of the Property (land and improvements) and personal property and fixtures situated at the Property as determined by the Assessor following completion of the Project, and (b) the actual real and personal property tax revenue received by the City for such tax fiscal year (“Property Tax Guaranty”). For purposes of clarification, in any fiscal year during which the Property Tax Guaranty applies, no payment will be due to the City pursuant to this section if the assessed value of the Property (land and improvements) and personal property and fixtures situated at the Property in that fiscal year is greater than or equal to the greater of (i) \$230,085,000 or (ii) the initial reassessed value of the Property (land and improvements) and personal property and fixtures situated at the Property, as determined by the Assessor following completion of the Project. Nothing herein shall limit Owner’s right to challenge or appeal any assessment of the Property, any assessment of personal property situated at the Property, and/or the amount of taxes payable to the San Mateo County Tax Collector in any year. The benefit under this Section 7.2 shall not be payable unless the City signs off on building permits allowing occupancy by Owner of the building to be built on the West Campus.

7.3 Sales and Use Taxes.

7.3.1 For all construction work performed as part of the Project, Owner agrees to make diligent, good faith efforts, with the assistance of City’s designated representative to include a provision in all construction contracts for \$5 million or more

with qualifying 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 request of the City Manager or the City's designated representative, Owner shall make available copies of such contracts or other documentation demonstrating compliance with these requirements. Owner shall have the right to redact unrelated portions of such contracts. The provisions of this Section 7.3.1 shall not be applicable to any subsequent remodeling or construction on the West Campus following the final building permit sign off for the initial occupancy of the building to be built as part of the Project.

7.3.2 With respect to the purchase of furnishings, equipment and personal property for the initial occupancy of the new building to be constructed as part of the Project, Owner 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 commercially reasonable strategies identified by the City or its designated representative (and in any case, only to the extent allowed by applicable Laws). Notwithstanding the preceding, Owner 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 be obligated to provide City or its designated representative with such documents as are reasonably necessary to assist City or such representative in ensuring the appropriate allocation of use taxes to the West Campus location.

7.3.3 To the extent sales and/or use taxes are not separately reported for the West Campus and the East Campus, and provided that Owner and/or 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.

8. Local Community Fund. Within one year of final building permit sign off allowing occupancy of the West Campus by Owner, Owner shall contribute an additional One Hundred Thousand Dollars (\$100,000) to the Local Community Fund ("LCF") previously established and funded by Facebook; provided, however, if the LCF is depleted at the time Owner receives a building permit for the office building to be built as part of the Project, Owner will make the contribution within six months of satisfaction of the Conditions Precedent. The benefit under this Section 8 shall not be payable

unless the City signs off on building permits allowing occupancy by Owner of the building to be built on the West Campus.

9. Recycling. Owner agrees to use, or cause to be used, the City's franchisee for all trash and recycling services, provided the rates charged to Owner by such franchisee for trash and recycling removal services are the same as those charged by such franchisee to other commercial users in the City.

10. Design and Environment. Owner has entered into a contract with Gehry Partners LLP for design of the West Campus, and Owner anticipates that Gehry Partners LLP will be the registered architect for the Project. Owner will design the West Campus so that the roof includes living elements including trees, plant elements and other green features as generally shown and described in the Project Approvals. Owner will design the building located at the West Campus to perform to LEED Building Design and Construction (BD+C) Gold equivalency. Owner may satisfy this obligation by delivering a report from its LEED consultant to the City demonstrating satisfaction with this condition. That report will be subject to approval by the City (not to be unreasonably withheld or conditioned).

11. Public Access. Owner 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 that Facebook previously agreed to provide and does not modify or alter the requirement that Facebook and/or Owner 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. Owner, in Owner's reasonable discretion, will install benches, art or other amenities in this area for the benefit of the public. The public access right to the additional landscaped area will be a right to pass by permission and Owner will have the right to implement rules and regulations governing such access.

12. Future Pedestrian/Bike Access. Owner 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/bike route between the Willow Stop and the Tyco Properties, then, upon the City's request, Owner will reasonably cooperate with the City and explore whether a pedestrian/bike route between the Willow Stop and the Tyco Properties could be placed on the West

Campus. In addition, Owner agrees that if, following the City's request, Owner determines that a pedestrian/bike route can be placed on the West Campus without negatively impacting Owner's operations there, Owner will allow the City to construct such a pedestrian/bike access route in a location determined by Owner (in its reasonable discretion).

13. Facebook East Campus Public 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 1601 Willow Road Development Agreement terminate due to (a) Facebook vacating the East Campus or (b) the early termination of the lease for the East Campus, then Owner will agree to continue to satisfy such commitments and obligations until the earlier of (i) Owner and Facebook vacating the West Campus or (ii) February 6, 2026.

14. Indemnity. Owner shall indemnify, defend and hold harmless City, and its elective and appointive boards, commissions, officers, agents, contractors, and employees (collectively, "City Indemnified Parties") from any and all claims, causes of action, damages, costs or expenses (including reasonable attorneys' fees) arising out of or in connection with, or caused on account of, the development and occupancy of the Project, any Approval with respect thereto, or claims for injury or death to persons, or damage to property, as a result of the operations of Owner or its employees, agents, contractors, representatives or tenants with respect to the Project (collectively, "Owner Claims"); provided, however, that Owner shall have no liability under this Section 14 for Owner Claims arising from the gross negligence or willful misconduct of any City Indemnified Party, or for Claims arising from, or that are alleged to arise from, the repair or maintenance by the City of any improvements that have been offered for dedication by Owner and accepted by the City.

15. Periodic Review for Compliance.

15.1. Annual Review. The City shall, at least every 12 months during the term of this Agreement, review the extent of Owner's good faith compliance with the terms of this Agreement pursuant to Government Code § 65865.1 and Resolution No. 4159. Such review shall be scheduled to coincide with the City's review of compliance with the 1601 Willow Road Development Agreement. Notice of such annual review shall be provided by the City's Community Development Director to Owner not less than 30 days prior to the date of the hearing by the Planning Commission on Owner's good faith compliance with this Agreement and shall to the extent required by law include the statement that any review may result in amendment or termination of this Agreement. A

finding by the City of good faith compliance with the terms of this Agreement shall conclusively determine the issue up to and including the date of such review.

15.2. Non-Compliance. If the City Council makes a finding that Owner has not complied in good faith with the terms and conditions of this Agreement, the City shall provide written notice to Owner describing (a) such failure and that such failure constitutes a Default, (b) the actions, if any, required by Owner to cure such Default, and (c) the time period within which such Default must be cured. If the Default can be cured, Owner shall have a minimum of 30 days after the date of such notice to cure such Default, or in the event that such Default cannot be cured within such 30 day period, if Owner shall commence within such 30 day time period the actions necessary to cure such Default and shall be diligently proceeding to complete such actions necessary to cure such Default, Owner shall have such additional time period as may be required by Owner within which to cure such Default.

15.3. Failure to Cure Default. If Owner fails to cure a Default within the time periods set forth above, the City Council may amend or terminate this Agreement as provided below.

15.4. Proceeding Upon Amendment or Termination. If, upon a finding under Section 15.2 of this Agreement and the expiration of the cure period specified in such Section 15.2, the City determines to proceed with amendment or termination of this Agreement, the City shall give written notice to Owner of its intention so to do. The notice shall be given at least 30 days before the scheduled hearing and shall contain:

15.4.1. The time and place of the hearing;

15.4.2. A statement that the City proposes to terminate or to amend this Agreement; and

15.4.3. Such other information as is reasonably necessary to inform Owner of the nature of the proceeding.

15.5. Hearings on Amendment or Termination. At the time and place set for the hearing on amendment or termination, Owner shall be given an opportunity to be heard, and Owner shall be required to demonstrate good faith compliance with the terms and conditions of this Agreement. If the City Council finds, based upon substantial evidence, that Owner has not complied in good faith with the terms or conditions of this Agreement, the City Council may terminate this Agreement or, with Owner's agreement to amend rather than terminate, amend this Agreement and impose such conditions as are reasonably necessary to protect the interests of the City. The decision of the City Council shall be final, subject to judicial review pursuant to Section 1094.5 of the California Code of Civil Procedure.

15.6. Effect on Transferees. If Owner has transferred a partial interest in the Property to another party so that title to the Property is held by Owner and additional parties or different parties, the City shall conduct one annual review applicable to all parties with a partial interest in the Property and the entirety of the Property. If the City Council terminates or amends this Agreement based upon any such annual review and the determination that any party with a partial interest in the Property has not complied in good faith with the terms and conditions of this Agreement, such action shall be effective as to all parties with a partial interest in the Property and to the entirety of the Property.

16. Permitted Delays; Subsequent Laws.

16.1. Extension of Times of Performance. In addition to any specific provisions of this Agreement, (i) the deadline for Owner to submit a Substantially Complete Building Permit Application under Section 2.2 shall be extended; and (ii) the performance by any Party of its obligations under this Agreement shall not be deemed to be in Default, and the time for performance of such obligation shall be extended; where delays or failures to perform are due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fire, casualties, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, restrictions imposed by governmental or quasi-governmental entities other than the City, unusually severe weather, acts of another Party, acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of the City shall not excuse the City's performance) or any other causes beyond the reasonable control, or without the fault, of the Party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause of the delay. If a delay occurs, the Party asserting the delay shall use reasonable efforts to notify promptly the other Parties of the delay. If, however, notice by the Party claiming such extension is sent to the other Party more than 30 days after the commencement of the cause of the delay, the period shall commence to run as of only 30 days prior to the giving of such notice. The time period for performance under this Agreement may also be extended in writing by the joint agreement of the City and Owner. Litigation attacking the validity of the EIR, the Addendum to EIR, the Project Approvals and/or the Project shall also be deemed to create an excusable delay under this Section 16.1, but only to the extent such litigation causes a delay and the Party asserting the delay complies with the notice and other provisions regarding delay set forth hereinabove. Except as expressly set forth in Section 2.2 and this Section 16.1, in no event shall the term of this Agreement be extended by any such delay without the mutual written agreement of the City and Owner.

16.2. Superseded by Subsequent Laws. If any Law made or enacted after the date of this Agreement prevents or precludes compliance with one or more provisions of this Agreement, then the provisions of this Agreement shall, to the extent feasible, be modified or suspended as may be necessary to comply with such new Law. Immediately after enactment of any such new Law, the Parties shall meet and confer reasonably and in good faith to determine the feasibility of any such modification or suspension based on the effect such modification or suspension would have on the purposes and intent of this Agreement. If such modification or suspension is infeasible in Owner's reasonable business judgment, then Owner shall have the right to terminate this Agreement by written notice to the City. Owner shall also have the right to challenge the new Law preventing compliance with the terms of this Agreement, and in the event such challenge is successful, this Agreement shall remain unmodified and in full force and effect. Notwithstanding the preceding, nothing herein shall permit the City to enact Laws that conflict with the terms of this Agreement.

17. Termination.

17.1. City's Right to Terminate. The City shall have the right to terminate this Agreement only under the following circumstances:

17.1.1. The City Council has determined that Owner is not in good faith compliance with the terms of this Agreement, and this Default remains uncured, all as set forth in Section 15 of this Agreement.

17.2. Owner's Right to Terminate. Owner shall have the right to terminate this Agreement only under the following circumstances:

17.2.1. Owner has determined that the City is in Default, has given the City notice of such Default and the City has not cured such Default within 30 days following receipt of such notice, or if the Default cannot reasonably be cured within such 30 day period, the City has not commenced to cure such Default within 30 days following receipt of such notice and is not diligently proceeding to cure such Default.

17.2.2. Owner is unable to complete the Project because of supersedure by a subsequent Law or court action, as set forth in Sections 16.2 and 22 of this Agreement.

17.2.3. Owner determines in the first five (5) years after the Effective Date, in its business judgment, that it does not desire to proceed with the construction of the Project.

17.3. Mutual Agreement. This Agreement may be terminated upon the mutual written agreement of the Parties.

17.4. Effect of Termination. If this Agreement is terminated pursuant to this Section 17, such termination shall not affect (a) any condition or obligation due to the City from Owner and arising prior to the date of termination and/or (b) the Project Approvals.

17.5. Recordation of Termination. In the event of a termination, the City and Owner agree to cooperate with each other in executing and acknowledging a Memorandum of Termination to record in the Official Records of San Mateo County within 30 days following the effective date of such termination.

18. Remedies. Any Party may, in addition to any other rights or remedies provided for in this Agreement or otherwise available at law or equity, institute a legal action to cure, correct or remedy any Default by the another Party; enforce any covenant or agreement of a Party under this Agreement; enjoin any threatened or attempted violation of this Agreement; or enforce by specific performance the obligations and rights of the Parties under this Agreement.

19. Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by another Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of a Default shall be effective or binding upon such Party unless made in writing by such Party, and no such waiver shall be implied from any omission by a Party to take any action with respect to such Default. No express written waiver of any Default shall affect any other Default, or cover any other period of time, other than any Default and/or period of time specified in such express waiver. All of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

20. Attorneys' Fees. If a Party brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against another Party by reason of a Default, or otherwise to enforce rights or obligations arising out of this Agreement, the prevailing Party in such action or proceeding shall be entitled to recover from the other Party its costs and expenses of such action or proceeding, including reasonable attorneys' fees and costs, and costs of such action or proceeding, which shall be payable whether such action or proceeding is prosecuted to judgment. "Prevailing Party" within the meaning of this Section 20 shall include, without limitation, a Party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of the covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

21. Limitations on Actions. The City and Owner hereby renounce the existence of any third party beneficiary of this Agreement and agree that nothing contained herein shall be construed as giving any other person or entity third party beneficiary status. If any action or proceeding is instituted by any third party challenging the validity of any provisions of this Agreement, or any action or decision taken or made hereunder, the Parties shall cooperate in defending such action or proceeding.

22. Effect of Court Action. If any court action or proceeding is brought by any third party to challenge the Addendum to the EIR, the EIR, the Project Approvals and/or the Project, or any portion thereof, and without regard to whether Owner is a party to or real party in interest in such action or proceeding, then (a) Owner shall have the right to terminate this Agreement upon 30 days' notice in writing to City, given at any time during the pendency of such action or proceeding, or within 90 days after the final determination therein (including any appeals), irrespective of the nature of such final determination, and (b) any such action or proceeding shall constitute a permitted delay under Section 16.1 of this Agreement. Owner shall pay the City's cost and expense, including attorneys' fees and staff time incurred by the City in defending any such action or participating in the defense of such action and shall indemnify the City from any award of attorneys' fees awarded to the party challenging this Agreement, the Project Approvals or any other permit or Approval. The defense and indemnity provisions of this Section 22 shall survive Owner's election to terminate this Agreement. Notwithstanding anything to the contrary herein, Owner shall retain the right to terminate this Agreement pursuant to this Section 22 even after (a) it has vacated the Property and (b) its other rights and obligations under this Agreement have terminated.

23. Estoppel Certificate. Any Party may, at any time, and from time to time, deliver written notice to the other Party requesting such other Party certify in writing, to the knowledge of the certifying Party, (a) that this Agreement is in full force and effect and a binding obligation of the Parties, (b) that this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) that the requesting Party is not in Default in the performance of its obligations under this Agreement, or if the requesting Party is in Default, the nature and amount of any such Defaults, (d) that the requesting Party has been found to be in compliance with this Agreement, and the date of the last determination of such compliance, and (e) as to such other matters concerning this Agreement as the requesting Party shall reasonably request. A Party receiving a request hereunder shall execute and return such certificate within 30 days following the receipt thereof. The City Manager shall have the right to execute any certificate requested by Owner hereunder. The City acknowledges that a certificate may be relied upon by transferees and Mortgagees.

24. Mortgagee Protection; Certain Rights of Cure.

24.1. Mortgagee Protection. This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof, after the date of recordation of this Agreement in the San Mateo County, California Official Records, including the lien of any Mortgage. Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage, and subject to Section 24.2 of this Agreement, all of the terms and conditions contained in this Agreement shall be binding upon and effective against any person (including any Mortgagee) who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise, and the benefits hereof will inure to the benefit of such party.

24.2. Mortgagee Not Obligated. Notwithstanding the provisions of Section 24.1 above, no Mortgagee or other purchaser in foreclosure or grantee under a deed in lieu of foreclosure, and no transferee of such Mortgagee, purchaser or grantee shall (a) have any obligation or duty under this Agreement to construct, or to complete the construction of, improvements, to guarantee such construction or completion or to perform any other monetary or nonmonetary obligations of Owner under this Agreement, and (b) be liable for any Default of Owner under this Agreement; provided, however, that a Mortgagee or any such purchaser, grantee or transferee shall not be entitled to use the Property in the manner permitted by this Agreement and the Project Approvals unless it complies with the terms and provisions of this Agreement applicable to Owner.

24.3. Notice of Default to Mortgagee; Right to Mortgagee to Cure. If the City receives notice from a Mortgagee requesting a copy of any notice of Default given Owner hereunder and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Owner, any notice of a Default or determination of noncompliance given to Owner. Each Mortgagee shall have the right (but not the obligation) for a period of 90 days after the receipt of such notice from City to cure or remedy, or to commence to cure or remedy, the Default claimed or the areas of noncompliance set forth in the City's notice. If the Default or such noncompliance is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession of the Property, or any portion thereof, such Mortgagee may seek to obtain possession with diligence and continuity through a receiver, by foreclosure or otherwise, and may thereafter remedy or cure the Default or noncompliance within 90 days after obtaining possession of the Property or such portion thereof. If any such Default or noncompliance cannot, with reasonable diligence, be remedied or cured within the applicable 90 day period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such Default or noncompliance if such Mortgagee commences a cure during the applicable 90 day period, and thereafter diligently pursues such cure to completion.

25. Assignment, Transfer, Financing.

25.1. Owner's Right to Assign. Subject to the terms of this Agreement, Owner shall have the right to transfer, sell and/or assign Owner's rights and obligations under this Agreement in conjunction with the transfer, sale or assignment of all or a partial interest in the Property. If the transferred interest consists of less than Owner's entire title to or interest in the Property, such transferee shall take such title or interest subject to all of the terms and provisions of this Agreement. Any transferee shall assume in writing the obligations of Owner under this Agreement and the Project Approvals arising or accruing from and after the effective date of such transfer, sale or assignment.

25.2. Financing. Notwithstanding Section 25.1 of this Agreement, Mortgages, sales and lease-backs and/or other forms of conveyance required for any reasonable method of financing requiring a security arrangement with respect to the development of the Property are permitted without the need for the lender to assume in writing the obligations of Owner under this Agreement and the Project Approvals. Further, no foreclosure, conveyance in lieu of foreclosure or other conveyance or transfer in satisfaction of indebtedness made in connection with any such financing shall require any further consent of the City, regardless of when such conveyance is made, and no such transferee will be required to assume any obligations of Owner under this Agreement.

25.3. Release Upon Transfer of Property.

25.3.1. Upon Owner's sale, transfer and/or assignment of all of Owner's rights and obligations under this Agreement in accordance with this Section 25, Owner shall be released from Owner's obligations pursuant to this Agreement which arise or accrue subsequent to the effective date of the transfer, sale and/or assignment.

25.3.2. Owner shall have the right to propose to the City alternative or substitute security for any of Owner's monetary obligations under this Agreement, including Owner's obligations to make the Recurring Public Benefit Payment pursuant to Section 7.1 of this Agreement. Such alternative or substitute security may consist of, without limitation, a letter of credit, a cash deposit and/or real property or personal property collateral acceptable to City in its sole discretion. If the City accepts any such alternative or substitute security, the monetary obligations of Owner for which such alternative or substitute security shall have been provided shall no longer constitute a covenant running with the land or otherwise be binding upon any owner of any portion of the Property, and shall instead be the personal obligation of Owner but with the City's recourse with respect to such monetary obligation limited to the alternative or substitute security. Owner shall pay for all City costs of considering

Owner's request for City's acceptance of such alternative or substitute security, including but not limited to cost of consultants retained to consider and advise the City Manager or City Council on such request.

26. Covenants Run With the Land. All of the provisions, agreements, rights, powers, standards, terms, covenants and obligations contained in this Agreement shall constitute covenants that shall run with the land comprising the Property, and the burdens and benefits of this Agreement shall be binding upon, and shall insure to the benefit of, each of the Parties and their respective heirs, successors, assignees, devisees, administrators, representatives and lessees, except as otherwise expressly provided in this Agreement.

27. Amendment.

27.1. Amendment or Cancellation. Except as otherwise provided in this Agreement, this Agreement may be cancelled, modified or amended only by mutual consent of the Parties in writing, and then only in the manner provided for in Government Code Section 65868 and Article 7 of Resolution No. 4159. Any amendment to this Agreement which does not relate to the term of this Agreement, the Vested Elements or the Conditions relating to the Project shall require the giving of notice pursuant to Government Code Section 65867, as specified by Section 65868 thereof, but shall not require a public hearing before the Parties may make such amendment.

27.2. Recordation. Any amendment, termination or cancellation of this Agreement shall be recorded by the City Clerk not later than 10 days after the effective date thereof or of the action effecting such amendment, termination or cancellation; provided, however, a failure of the City Clerk to record such amendment, termination or cancellation shall not affect the validity of such matter.

28. Notices. Any notice shall be in writing and given by delivering the notice in person or by sending the notice by registered or certified mail, express mail, return receipt requested, with postage prepaid, or by overnight courier to the Party's mailing address. The respective mailing addresses of the Parties are, until changed as hereinafter provided, the following:

City: City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
Attention: City Manager

With a
copy to: City Attorney
City of Menlo Park

1100 Alma Street, Suite 210
Menlo Park, CA 94025

Owner: Giant Properties LLC
c/o Facebook, Inc.
1 Hacker Way
Menlo Park, CA 94025
Attention: Director of Facilities

With a
copy to: Giant Properties LLC
c/o Facebook, Inc.
1 Hacker Way
Menlo Park, CA 94025
Attention: Real Estate Counsel

A Party may change its mailing address at any time by giving to the other Party ten (10) days' notice of such change in the manner provided for in this Section 28. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected, or if mailed, on the delivery date or attempted delivery date shown on the return receipt.

29. Miscellaneous.

29.1. Negation of Partnership. The Parties specifically acknowledge that the Project is a private development, that no Party is acting as the agent of the other in any respect hereunder and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Owner, the affairs of the City, or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise.

29.2. Consents. Unless otherwise provided herein, whenever approval, consent or satisfaction (herein collectively referred to as an "approval") is required of a Party pursuant to this Agreement, such approval shall not be unreasonably withheld or delayed. If a Party shall not approve, the reasons therefor shall be stated in reasonable detail in writing. The approval by a Party to or of any act or request by the other Party shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests.

29.3. Approvals Independent. All Approvals which may be granted pursuant to this Agreement, and all Approvals or other land use approvals which have been or may be issued or granted by the City with respect to the Property, constitute

independent actions and approvals by the City. If any provisions of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, or if the City terminates this Agreement for any reason, such invalidity, unenforceability or termination of this Agreement or any part hereof shall not affect the validity or effectiveness of any Approvals or other land use approvals.

29.4. Not A Public Dedication. Nothing herein contained shall be deemed to be a gift or dedication of the Property, the Project, or any portion of either, to the general public, for the general public, or for any public use or purpose whatsoever. Owner shall have the right to prevent or prohibit the use of the Property or the Project, or any portion thereof, including common areas and buildings and improvements located thereon, by any person for any purposes inimical to the operation of a private, integrated Project as contemplated by this Agreement, except as dedications may otherwise be specifically provided in the Project Approvals.

29.5. Severability. Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any person, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other person or circumstance and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement. Notwithstanding the preceding, this Section 29.5 is subject to the terms of Section 16.2.

29.6. Exhibits. The Exhibits referred to herein are deemed incorporated into this Agreement in their entirety.

29.7. Entire Agreement. This written Agreement and the Project Approvals contain all the representations and the entire agreement between the Parties with respect to the subject matter hereof. Except as otherwise specified in this Agreement and the Project Approvals, any prior correspondence, memoranda, agreements, warranties or representations are superseded in total by this Agreement.

29.8. Construction of Agreement. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any Party in order to achieve the objectives and purpose of the Parties. The captions preceding the text of each Article, Section, and Subsection are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa. All references to "person" shall include, without limitation, any and all corporations, partnerships, limited liability companies or other legal entities.

29.9. Further Assurances; Covenant to Sign Documents. Each Party covenants, on behalf of itself and its successors, heirs and assigns, to take all actions and do all things, and to execute, with acknowledgment or affidavit if required, any and all documents and writings that may be necessary or proper to achieve the purposes and objectives of this Agreement.

29.10. Governing Law. This Agreement, and the rights and obligations of the Parties, shall be governed by and interpreted in accordance with the laws of the State of California.

29.11. Construction. This Agreement has been reviewed and revised by legal counsel for Owner and City, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

29.12. Time. Time is of the essence of this Agreement and of each and every term and condition hereof. In particular, City agrees to act in a timely fashion in accepting, processing, checking and approving all maps, documents, plans, permit applications and any other matters requiring City's review or approval relating to the Project or Property.

30. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all of which when taken together shall constitute but one Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

“City”

CITY OF MENLO PARK, a municipal corporation of the State of California

By: _____
Mayor

Attest:

City Clerk

Approved as to Form:

By: _____
City Attorney

“Owner”

GIANT PROPERTIES, LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

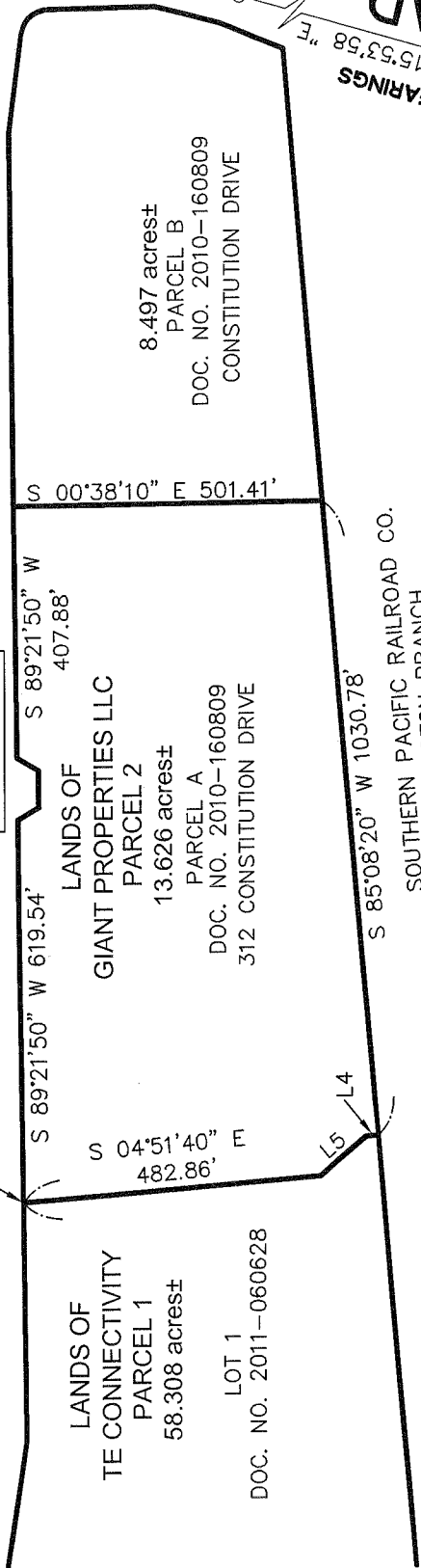
EXHIBIT A
SITE PLAN OF PROPERTY



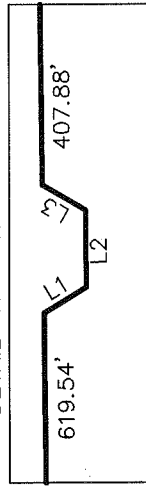
HWY 84 - BAYFRONT EXPRESSWAY

P.O.B. GIANT PROPERTIES

SEE DETAIL "A"



DETAIL "A" - NOT TO SCALE



LINE TABLE		
LINE	BEARING	LENGTH
L1	S 31°06'06" E	39.45'
L2	N 89°21'50" E	60.00'
L3	N 29°49'46" E	39.45'
L4	S 04°51'40" E	20.94'
L5	S 40°23'39" E	97.46'

GRAPHIC SCALE



(IN FEET)
1 inch = 300 ft.

K:\SUR1\100166.10\DWG\LLA\LLA PLAT CITY EXHIBIT.DWG



4670 WILLOW RD
SUITE 250
PLEASANTON, CA 94588
925-396-7700
925-396-7799 (FAX)

Subject EXHIBIT A
GIANT PROPERTIES, LLC
 Job No. 20100166.10
 By RL Date 03/06/13 Chkd. WS
 SHEET 1 OF 1

EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION

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

PARCEL A:

PARCEL 2 AS SHOWN ON EXHIBIT "A" OF LOT LINE ADJUSTMENT AS EVIDENCED BY DOCUMENT RECORDED JANUARY 11, 2013 AS INSTRUMENT NO. 2013-6489 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEING ALL OF PARCEL A, AS SAID PARCEL IS DESCRIBED IN THAT CERTAIN GRANT DEED, RECORDED ON DECEMBER 27, 2010 AS DOCUMENT NO. 2010-160809, SAN MATEO COUNTY RECORDS, ALSO BEING A PORTION OF LOT 1, AS SAID LOT IS DESCRIBED IN THAT CERTAIN "NOTICE OF MERGER" FILED FOR RECORD ON MAY 31, 2011 IN DOCUMENT NO. 2011-060628, SAN MATEO COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY CORNER OF SAID PARCEL A WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF HIGHWAY 84, AS SAID RIGHT-OF-WAY LINE IS SHOWN ON CALTRANS RIGHT-OF-WAY RECORD MAP R-105.2;

THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL A, THE FOLLOWING FIVE(5) COURSES:

- 1) NORTH 89° 21' 50" EAST, 619.54 FEET;
- 2) SOUTH 31° 06' 06" EAST, 39.45 FEET;
- 3) NORTH 89° 21' 50" EAST, 60.00 FEET;
- 4) NORTH 29° 49' 46" EAST, 39.45 FEET;
- 5) NORTH 89° 21' 50" EAST, 407.88 FEET; TO THE EASTERLY LINE OF SAID PARCEL A;

THENCE LEAVING SAID NORTHERLY LINE AND ALONG SAID EASTERLY LINE, SOUTH 00° 38' 10" EAST, 501.41 FEET TO THE SOUTHERLY LINE OF SAID PARCEL A;
THENCE LEAVING SAID EASTERLY LINE AND ALONG SAID SOUTHERLY LINE OF SAID PARCEL A, SOUTH 85° 08' 20" WEST, 981.15 FEET TO THE WESTERLY LINE OF SAID PARCEL A;
THENCE LEAVING SAID SOUTHERLY LINE AND ALONG THE SOUTHERLY LINE SAID LOT 1, SOUTH 85° 08' 20" WEST, 49.62 FEET;
THENCE LEAVING SAID SOUTHERLY LINE, NORTH 04° 51' 40" WEST, 20.94 FEET;
THENCE NORTH 40° 23' 39" WEST, 97.46 FEET;
THENCE NORTH 04° 51' 40" WEST, 51.62 FEET TO THE WESTERLY LINE OF SAID PARCEL A;
THENCE ALONG SAID WESTERLY LINE, NORTH 04° 51' 40" WEST, 431.24 FEET TO THE POINT OF BEGINNING.

PARCEL B:

A PORTION OF PARCEL 3 E, AS SAID PARCEL IS DESCRIBED IN THAT CERTAIN GRANT DEED, FILED FOR RECORD ON MARCH 27, 2002 AS DOCUMENT NUMBER 2002-059141 OF OFFICIAL RECORDS, SAN MATEO COUNTY AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID PARCEL; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL, SOUTH 85° 08' 20" WEST, 736.25 FEET; THENCE LEAVING SAID SOUTHERLY LINE, NORTH 0° 38' 10" WEST, 501.41 FEET TO A POINT ON THE NORTHERLY LINE OF SAID PARCEL; THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL NORTH 89° 21' 50" EAST, 604.95 FEET; THENCE CONTINUING ALONG SAID NORTHERLY LINE,

SOUTH 82° 24' 08" EAST, 162.24 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT; THENCE CONTINUING ALONG SAID NORTHERLY LINE AND ALONG SAID CURVE HAVING A RADIUS OF 45.00 FEET, THROUGH A CENTRAL ANGLE OF 81° 18' 03", AN ARC LENGTH OF 63.85 FEET TO THE EASTERLY LINE OF SAID PARCEL; THENCE ALONG THE EASTERLY LINE OF SAID PARCEL, SOUTH 1° 06' 05" EAST, 171.90 FEET; THENCE CONTINUING ALONG SAID EASTERLY LINE, SOUTH 14° 09' 17" WEST, 107.79 FEET; THENCE CONTINUING ALONG SAID EASTERLY LINE, SOUTH 22° 13' 35" WEST, 112.49 FEET TO THE POINT OF BEGINNING.

BEING THE PROPERTY DESCRIBED AS ADJUSTED PARCEL 3 E ON THAT CERTAIN APPROVAL OF LOT LINE ADJUSTMENT RECORDED FEBRUARY 6, 2007, INSTRUMENT NO. 2007-018809, OFFICIAL RECORDS.

PARCEL C:

EASEMENTS FOR THE PURPOSES PROVIDED FOR IN SECTIONS 6.1 AND 7.1 OF THE EASEMENT AGREEMENT AND COVENANTS RUNNING WITH THE LAND RECORD MARCH 15, 2007, INSTRUMENT NO. 2007-039705, OFFICIAL RECORDS.

APN: portion of APN 055-260-200 (Affects Parcel A); 055-260-210 (Affects Parcel A) and 055-260-220 (Affects Parcel B)

JPN: 055-26-260-12; 055-26-260-09 and 055-26-260-12.02

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING THE BELOW MARKET RATE HOUSING AGREEMENT BETWEEN THE CITY OF MENLO PARK AND GIANT PROPERTIES, LLC

WHEREAS, the City Council of the City of Menlo Park ("City") has read and considered that certain Below Market Rate Housing Agreement ("BMR Agreement") between the City and Giant Properties, LLC ("Developer") that satisfies the requirement that Developer comply with Chapter 16.96 of the City's Municipal Code and with the Below Market Rate Housing Program Guidelines.

NOW, THEREFORE, the City Council of the City does RESOLVE as follows:

1. Public interest and convenience require the City to enter into the Agreement described above.
2. The City of Menlo Park hereby approves the Agreement and the City Manager is hereby authorized on behalf of the City to execute the Agreement.

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-sixth day of March, 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-sixth day of March, 2013.

Margaret S. Roberts, MMC
City Clerk

This document is recorded for the benefit of the City of Menlo Park and is entitled to be recorded free of charge in accordance with Sections 6103 and 27383 of the Government Code

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
City of Menlo Park
Attn: City Clerk
701 Laurel Street
Menlo Park, CA 94025**

**DRAFT
BELOW MARKET RATE HOUSING AGREEMENT**

This Below Market Rate Housing Agreement (this “Agreement”) is made as of this ____ day of _____, 2013 by and between the City of Menlo Park, a California municipality (“City”) and Giant Properties, LLC, a Delaware limited liability company (“Developer”), with respect to the following:

RECITALS

- A. Developer owns certain real property in the City of Menlo Park, County of San Mateo, State of California, consisting of approximately 22.12 acres or 963,682 square feet, more particularly described as Assessor’s Parcel Numbers: 055-260-210 and 055-260-220 (the “Property”) and more commonly known as 312 and 313 Constitution Drive.
- B. Developer proposes to demolish all existing structures on the Property inclusive of 127,246 square feet of office space, and subsequently construct an approximately 433,656 square foot office building on top of surface parking that would include approximately 1,499 parking spaces above at-grade parking. The demolition and construction are collectively referred to as the “Project.” The Project would contain a net increase of approximately 306,410 square feet of gross floor area. The use of the new building would be for office and/or R&D uses. Developer has applied to the City for site rezoning to allow for height and lot coverage increases, a conditional development permit, heritage tree removal permits, a lot line adjustment and a development agreement for the Project.
- C. Developer is required to comply with Chapter 16.96 of City’s Municipal Code (“BMR Ordinance”) and with the Below Market Rate Housing Program Guidelines (“Guidelines”) adopted by the City Council to implement the BMR Ordinance. In order to process its application, the BMR Ordinance requires Developer to submit a Below Market Rate Housing Agreement. This Agreement is intended to satisfy that requirement. Approval of a Below Market Rate Housing Agreement is a condition

precedent to the approval of the applications and the issuance of a building permit for the Project.

- D. Residential use of the Property is not allowed by the applicable zoning regulations. Developer does not presently own or have any rights with respect to any sites in the City that are available and feasible for construction of sufficient below market rate residential housing units to satisfy the requirements of the BMR Ordinance. Developer is presently exploring opportunities to deliver off-site units but has not been able to negotiate an agreement for the delivery of any off-site units. Based on these facts, the City has found that development of such units off-site in accordance with the requirements of the BMR Ordinance and Guidelines also is not presently feasible.
- E. Developer, therefore, is required to pay an in lieu fee as provided for in this Agreement and/or deliver off-site units as provided for in this Agreement. Developer is willing to pay the in lieu fee and/or deliver off-site units on the terms set forth in this Agreement, which the City has found are consistent with the BMR Ordinance and Guidelines.

NOW, THEREFORE, the parties agree as follows:

1. Developer shall satisfy its obligations under the BMR Ordinance and Guidelines (“Developer’s BMR Obligations”) by either (a) paying the in lieu fee as provided for in the BMR Ordinance and Guidelines, (b) delivering off-site units as provided for in the BMR Ordinance and Guidelines, or (c) paying a portion of the in lieu fee as provided for in the BMR Ordinance and Guidelines and delivering off-site units as provided for in the BMR Ordinance and Guidelines; in any case as set forth in this Agreement. The in lieu fee paid by Developer and off-site units delivered by Developer must, collectively, include fees and units that satisfy Developer’s obligation to mitigate the net, new demand for affordable housing created by the Project which is determined by figuring for the difference between (x) the maximum gross floor area of the Project and (y) the gross floor area of the existing structures located on the site as of the date of this Agreement (i.e. 127,246 gross square feet of gross floor area) (such difference, the “Net New Gross Floor Area of the Project”). The applicable in lieu fee is that which is in effect on the date the payment is made (provided, however, that the in lieu fee in effect as of the date of this Agreement may only be increased to reflect changes in the consumer price index (or another comparable and commercially accepted inflation index)). Each off-site unit provided by Developer shall be credited with mitigating the net, new demand for affordable housing created by 20,427 gross square feet of the gross floor area of the Project. The below table illustrates the in lieu fees that would be payable assuming that the gross floor area of the Project is 433,656, the in lieu fee is \$14.71 per square foot at the time Developer makes the in lieu fee payment and Developer satisfies its obligations under the BMR Ordinance and Guidelines by paying the in lieu fee and not delivering any off-site units.

	Use Group	Fee/ SF	SF	Fee
Existing Office Portion	A-Office/R&D	\$14.71	127,246	(\$1,871,789)
Proposed Office Building	A-Office/R&D	\$14.71	433,656	\$6,379,080
Total Fee				\$4,507,291

2. Developer will not be obligated to pay the in lieu fee or deliver off-site units before the City issues a building permit for the Project. Instead, Developer will satisfy its obligations under the Ordinance and Guidelines as set forth in Paragraph 3 below.

3. Within four (4) years of the date the City issues a building permit for demolition of the existing structures (the "Outside Delivery Date"), Developer shall have the right (but not the obligation) to deliver off-site units that meet the requirements of the Ordinance and Guidelines to satisfy, in whole or in part, Developer's BMR Obligations. Notwithstanding the preceding, if the City, in its sole and absolute discretion, determines that Developer has not made reasonable progress towards delivering off-site units that meet the requirements of the Ordinance and Guidelines within two (2) years after the date the City issues a building permit for demolition of the existing structures (the "Two Year Anniversary"), then at any time after the Two Year Anniversary the City may elect to accelerate the Outside Delivery Date by giving Developer written notice thereof to Developer (the "Acceleration Notice") in which case the Outside Delivery Date will be not less than thirty (30) days after the City's delivery of the Acceleration Notice. Each off-site unit delivered by Developer will be credited against Developer's BMR Obligations (i.e. each unit will satisfy Developer's BMR Obligations with respect to 20,427 gross square feet of gross floor area of the Project). If Developer delivers off-site units that satisfy Developer's BMR Obligations prior to the Outside Delivery Date, it will have no further payment or delivery obligations under this Agreement. If Developer does not deliver off-site units that satisfy Developer's BMR Obligations prior to the Outside Delivery Date, then, within thirty (30) days of the Outside Delivery Date, Developer must pay the City an amount equal to the product of (x) the applicable in lieu fee which is in effect on the date such payment is made multiplied by (y) the difference between (1) the Net New Gross Floor Area of the Project and (2) the credit allocable to Developer for off-site units that Developer delivers before the Outside Delivery Date (i.e. the number of off-site units multiplied by 20,427 gross square feet). For purposes of clarification, (a) rental units that are maintained as BMR units in accordance with the City's BMR Guidelines for at least fifty-five (55) years satisfy the BMR Ordinance and Guidelines and (b) Developer may deliver off-site units by directly developing a residential project or having a third party deliver or agree to deliver BMR units to the City on Developer's behalf, provided any units delivered by a third party on Developer's behalf shall be additional BMR units for such project and shall not count toward the BMR requirement and/or any density bonus calculation for such project where the BMR units are provided.

4. This Agreement shall be binding on and inure to the benefit of the parties hereto and their successors and assigns. Each party may assign this Agreement, subject to the reasonable consent of the other, and the assignment must be in writing.
5. If any legal action is commenced to interpret or enforce this Agreement or to collect damages as a result of any breach of this Agreement, the prevailing party shall be entitled to recover all reasonable attorney's fees and costs incurred in such action from the other party.
6. This Agreement shall be governed by and construed in accordance with the laws of the State of California and the venue for any action shall be the County of San Mateo.
7. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.
8. This Agreement supersedes any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof.
9. Any and all obligations or responsibilities of Developer under this Agreement shall terminate upon the payment of the required fee and/or the delivery of off-site BMR units in accordance with the terms and provisions of this Agreement.
10. To the extent there is any conflict between the terms and provisions of the Guidelines and the terms and provisions of this Agreement, the terms and provisions of this Agreement shall prevail.
11. This Agreement or a memorandum setting forth the essential terms and provisions of this Agreement shall be recorded following approval and execution of this Agreement.

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

Developer:
Giant Properties, LLC,
a Delaware limited liability company

City:
City of Menlo Park,
a California municipal corporation

By: _____
John Tenanes
Global Facilities and Real
Estate Director

By: _____
Alex D. McIntyre
City Manager
City of Menlo Park

[Notarial Acknowledgements to be added for recording purposes]

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK APPROVING THE LOT LINE ADJUSTMENT FOR GIANT
PROPERTIES, LLC**

WHEREAS, the City Council of the City of Menlo Park ("City") has read and considered those certain legal descriptions and plat maps, attached hereto as Exhibit A and Exhibit B and incorporated herein, for Parcel A and Parcel B for the property currently known as 312 and 313 Constitution Drive for the purpose of creating a private road designated as "Facebook Way".

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby approves the lot line adjustment as described above.

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-sixth day of March, 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-sixth day of March, 2013.

Margaret S. Roberts, MMC
City Clerk

EXHIBIT "A"
Legal Description

**LOT LINE ADJUSTMENT
GIANT PROPERTIES LLC
PARCEL A
FUTURE ADDRESS – 1 FACEBOOK WAY, Menlo Park, CA
(Formerly 312-313 Constitution Drive)**

All that real property in the City of Menlo Park, County of San Mateo, California, described as follows:

BEING a portion of PARCEL A and all of PARCEL B, as said parcels are described in that certain GRANT DEED, recorded on December 27, 2010 as Document No. 2010-160809, San Mateo County Records,

ALSO BEING all of the lot as described in that certain LOT LINE ADJUSTMENT, recorded on January 11, 2013 in Document No. 2013-006489, San Mateo County Records,

As said parcels described above are shown on Sheet 1 of 2 Sheets of Exhibit B attached hereto and made a part hereof, and more particularly described as follows:

BEGINNING at the intersection of the northwesterly corner of said PARCEL A with the southerly right-of-way line of HIGHWAY 84, as said right-of-way line is shown on Caltrans Right-of-Way Record Map R-105.2;

Thence along the northerly line of said PARCEL A, North 89°21'50" East, 439.63 feet;

Thence leaving said northerly line, South 31°06'06" East 39.45 feet;

Thence South 00°38'10" East 40.00 feet;

Thence North 89°21'50" East 60.00 feet;

Thence North 00°38'10" West 40.00 feet;

Thence North 29°49'46" East 39.45 feet to said northerly line of PARCEL A;

Thence along said northerly line North 89°21'50" East 79.91 feet;

Thence leaving said northerly line, South 31°06'06" East, 39.45 feet;

Thence North 89°21'50" East, 60.00 feet;

Thence North 29°49'46" East, 39.45 feet to said northerly line of PARCEL A;

Thence along said northerly line and continuing along the northerly line of said PARCEL B, North 89°21'50" East, 1012.83 feet;

Thence continuing along said northerly line, South 82°24'08" East 162.24 feet to the beginning of a tangent curve concave to the southwest, having a radius of 45.00 feet;

Thence along the northerly and easterly line of said PARCEL B the following four (4) courses:

1. Along said curve through a central angle of $81^{\circ}18'03''$, for an arc length of 63.85 feet;
2. South $01^{\circ}06'05''$ East 171.90 feet;
3. South $14^{\circ}09'17''$ West 107.79 feet;
4. South $22^{\circ}13'35''$ West 112.48 feet to the southerly line of said PARCEL B;

Thence leaving said easterly line and along said southerly line of said PARCEL A and PARCEL B, South $85^{\circ}08'20''$ West, 1767.03 feet to the westerly line of the parcel described in said LOT LINE ADJUSTMENT (Document No. 2013-006489);

Thence leaving said southerly line and along said westerly line North $04^{\circ}51'40''$ West 20.94 feet;

Thence North $40^{\circ}23'39''$ East 97.46 feet to the westerly line of said PARCEL A;

Thence along said westerly line, North $04^{\circ}51'40''$ West, 482.86 feet to the **POINT OF BEGINNING**, as shown on Sheet 2 of 2 Sheets of Exhibit B attached hereto and made a part hereof

Containing 958,560 square feet or 22.005 acres, more or less.

As shown on Sheets 1 and 2 of 2 sheets on Exhibit "B" attached hereto and made a part hereof.

For: BKF Engineers

By: _____
Davis Thresh, P.L.S. No. 6868
License expires: 09-30-2014

Date: _____
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EXHIBIT "A"
Legal Description

**LOT LINE ADJUSTMENT
GIANT PROPERTIES LLC
PARCEL B – FOR PRIVATE ROAD PURPOSES
FACEBOOK WAY (Formerly 312-313 Constitution Drive) Menlo Park, CA**

All that real property in the City of Menlo Park, County of San Mateo, California, described as follows:

BEING a portion of PARCEL A, as said parcel is described in that certain GRANT DEED, recorded on December 27, 2010 as Document No. 2010-160809, San Mateo County Records,
As said parcel described above is shown on Sheet 1 of 2 Sheets of Exhibit B attached hereto and made a part hereof, and more particularly described as follows:

BEGINNING at the intersection of the northwesterly corner of said PARCEL A with the southerly right-of-way line of HIGHWAY 84, as said right-of-way line is shown on Caltrans Right-of-Way Record Map R-105.2;

Thence along the northerly line of said PARCEL A, North 89°21'50" East, 439.63 feet to the TRUE POINT OF BEGINNING

Thence leaving said northerly line, South 31°06'06" East 39.45 feet;

Thence South 00°38'10" East 40.00 feet;

Thence North 89°21'50" East 60.00 feet;

Thence North 00°38'10" West 40.00 feet;

Thence North 29°49'46" East 39.45 feet to said northerly line of said PARCEL A;

Thence along said northerly line South 89°21'50" West 100 feet to the TRUE POINT OF BEGINNING, as shown on Sheet 2 of 2 Sheets of Exhibit B attached hereto and made a part hereof

Containing 5,140 square feet or 0.118 acres, more or less.

As shown on Sheets 1 and 2 of 2 sheets on Exhibit "B" attached hereto and made a part hereof.

For: BKF Engineers

By: _____
Davis Thresh, P.L.S. No. 6868
License expires: 09-30-2014

Date: _____

K:\Sur10\100166.10 Facebook\MAIN\LEGALS\LLA GIANT PROP NEW PAR B.doc

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Parcel name: LLA GIANT PROP B

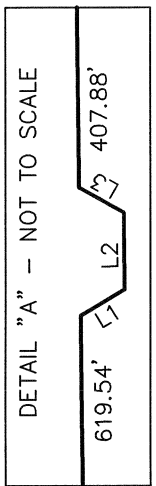
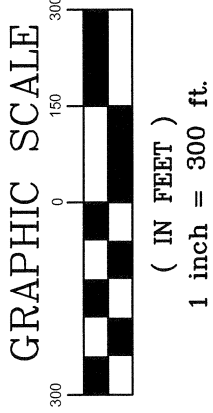
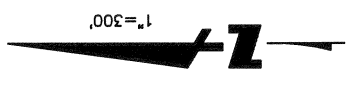
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Line	Course: S 29-49-46 W	Length: 39.45
	North: 10079.1348	East : 18775.4197
Line	Course: S 00-38-10 E	Length: 40.00
	North: 10039.1373	East : 18775.8637
Line	Course: S 89-21-50 W	Length: 60.00
	North: 10038.4712	East : 18715.8674
Line	Course: N 00-38-10 W	Length: 40.00
	North: 10078.4687	East : 18715.4234
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	North: 10112.2479	East : 18695.0451

Perimeter: 318.90 Area: 5,140 sq. ft. 0.118 acres

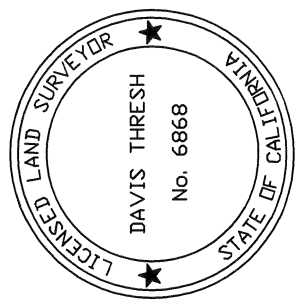
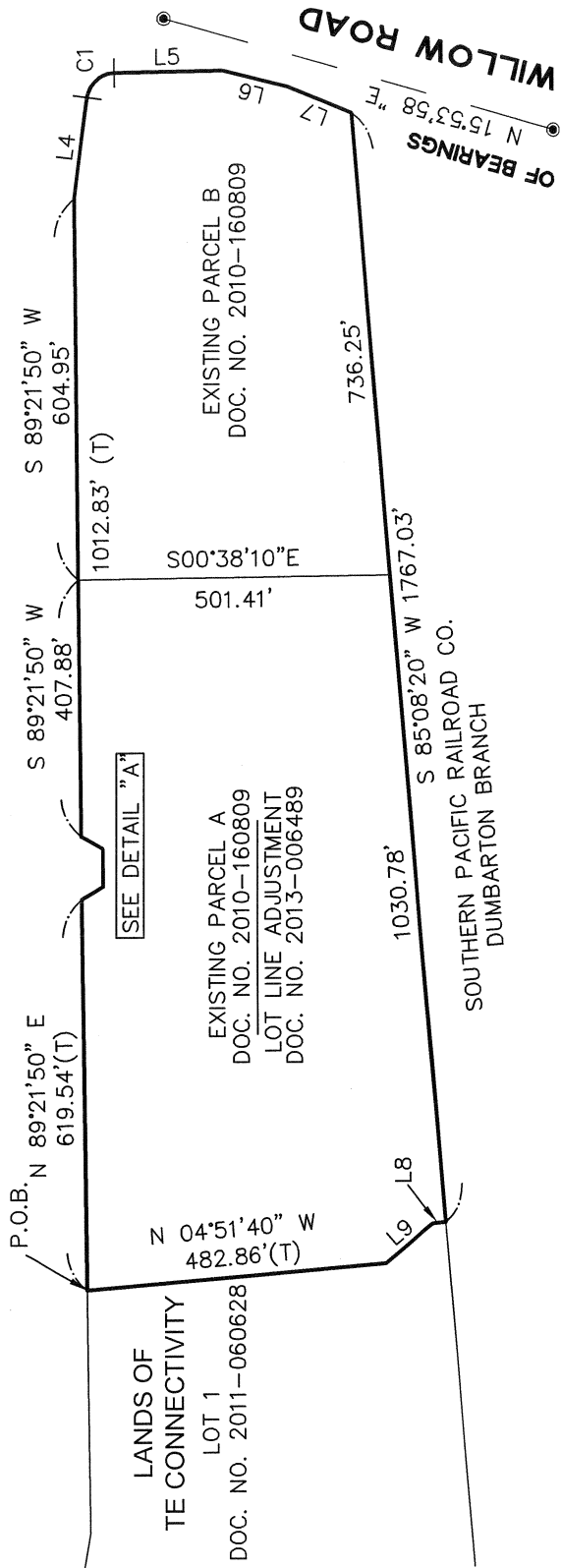
Mapcheck Closure - (Uses listed courses, radii, and deltas)
Error Closure: 0.0039 Course: S 89-21-50 W
Error North: -0.00004 East : -0.00390
Precision 1: 81,769.23

BASIS OF BEARING:
 THE BEARING, NORTH 15°33'58" EAST, BETWEEN TWO FOUND
 MONUMENTS ON WILLOW ROAD, AS SHOWN ON THAT CERTAIN
 PARCEL MAP FILED FOR RECORD ON DECEMBER 31, 1998 IN
 BOOK 71 OF PARCEL MAPS AT PAGES 15 AND 16, SAN MATEO
 COUNTY RECORDS, IS THE BASIS OF BEARINGS FOR THIS MAP.

EXISTING PARCELS
 PARCEL A 13.626 ACRES
 PARCEL B 8.497 ACRES
 TOTAL 22.123 ACRES



HWY 84 - BAYFRONT EXPRESSWAY



CURVE TABLE

CURVE	RADIUS	DELTA	LENGTH
C1	45.00'	81°18'03"	63.85'

DOC. NO. - DOCUMENT NUMBER
 P.O.B. - POINT OF BEGINNING
 T.P.O.B. - TRUE POINT OF BEGINNING
 _____ BOUNDARY LINE
 _____ LOT LINE

LINE TABLE

LINE	BEARING	LENGTH
L1	S 31°06'06" E	39.45'
L2	N 89°21'50" E	60.00'
L3	N 29°49'46" E	39.45'
L4	S 82°24'08" E	162.24'
L5	S 01°06'05" E	171.90'
L6	S 14°09'17" W	107.79'
L7	S 22°13'35" W	112.48'
L8	N 04°51'40" W	20.94'
L9	N 40°23'39" W	97.46'

EXHIBIT "B"
 PLAT TO ACCOMPANY LEGAL DESCRIPTION

K:\SUR\1100166.10\DWG\LOT LINE ADJUSTMENT GIANT PRO\EXISTING LLA PARCELS.DWG

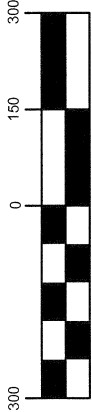


4670 WILLOW RD
 SUITE 250
 PLEASANTON, CA 94588
 925-396-7700
 925-396-7799 (FAX)

Subject LOT LINE ADJUSTMENT
GIANT HOLDINGS-EXISTING PARCELS
 Job No. 20100166.10
 By RL Date 01/24/13 Chkd. WS
 SHEET 1 OF 2

BASIS OF BEARING:
 THE BEARING, NORTH 15°53'58" EAST, BETWEEN TWO FOUND
 MONUMENTS ON WILLOW ROAD, AS SHOWN ON THAT CERTAIN
 PARCEL MAP FILED FOR RECORD ON DECEMBER 31, 1998 IN
 BOOK 71 OF PARCEL MAPS AT PAGES 15 AND 16, SAN MATEO
 COUNTY RECORDS, IS THE BASIS OF BEARINGS FOR THIS MAP.

GRAPHIC SCALE

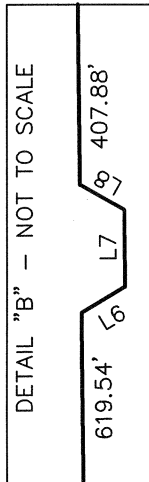
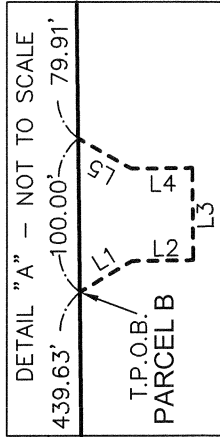


(IN FEET)

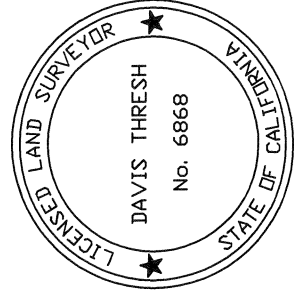
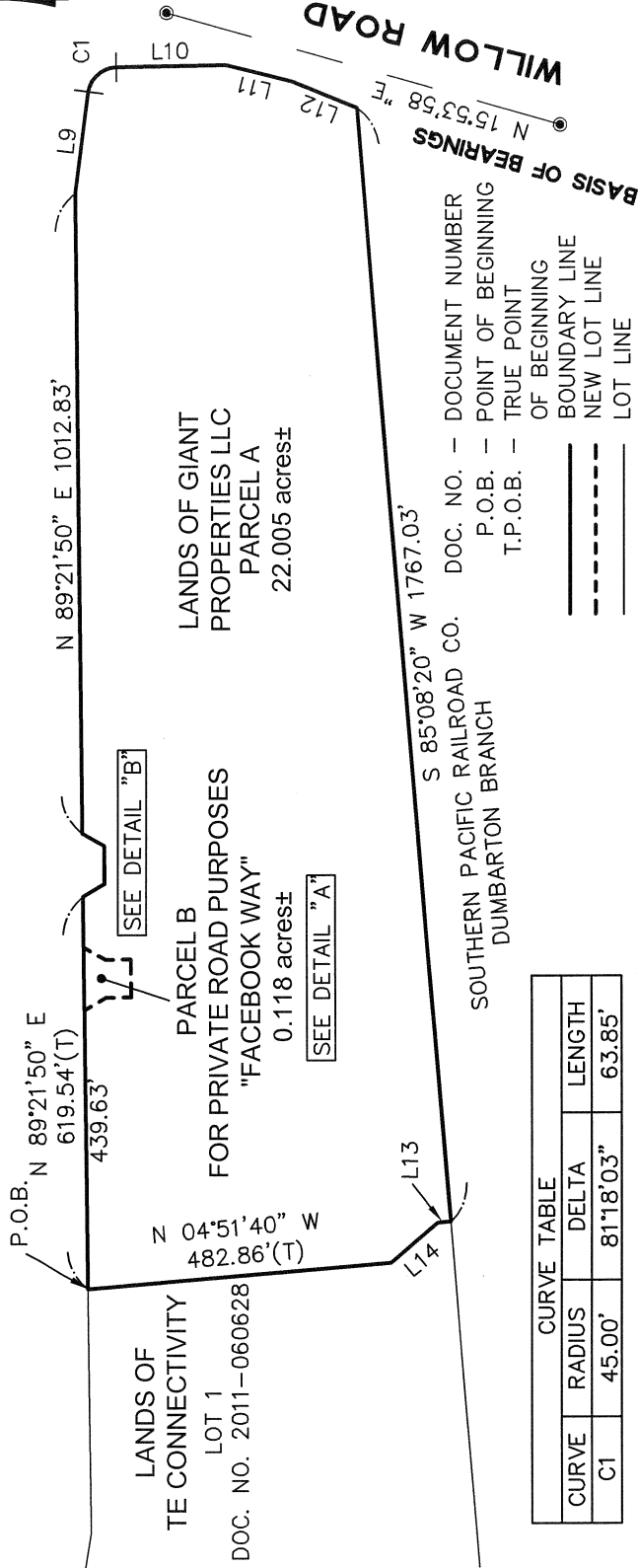
1 inch = 300 ft.

EXISTING PARCELS
 PARCEL A 13.626 ACRES
 PARCEL B 8.497 ACRES
 TOTAL 22.123 ACRES

ADJUSTED PARCELS
 PARCEL A 22.005 ACRES
 PARCEL B 0.118 ACRES
 TOTAL 22.123 ACRES



HWY 84 - BAYFRONT EXPRESSWAY



CURVE TABLE		
CURVE	RADIUS	LENGTH
C1	45.00'	63.85'

LINE TABLE		
LINE	BEARING	LENGTH
L1	S 31°06'06" E	39.45'
L2	S 00°38'10" E	40.00'
L3	N 89°21'50" E	60.00'
L4	N 00°38'10" W	40.00'
L5	N 29°49'46" E	39.45'
L6	S 31°06'06" E	39.45'
L7	N 89°21'50" E	60.00'
L8	N 29°49'46" E	39.45'

LINE TABLE		
LINE	BEARING	LENGTH
L9	S 82°24'08" E	162.24'
L10	S 01°06'05" E	171.90'
L11	S 14°09'17" W	107.79'
L12	S 22°13'35" W	112.48'
L13	N 04°51'40" W	20.94'
L14	N 40°23'39" W	97.46'

K:\SUR11100166.10\DWG\LOT LINE ADJUSTMENT GIANT PROP\PROPOSED LLA PARCELS.DWG

EXHIBIT "B"
 PLAT TO ACCOMPANY LEGAL DESCRIPTION



4670 WILLOW RD
 SUITE 250
 PLEASANTON, CA 94588
 925-396-7700
 925-396-7799 (FAX)

Subject LOT LINE ADJUSTMENT
GIANT HOLDINGS-PROPOSED PARCELS
 Job No. 20100166.10
 By RL Date 01/24/13 Chkd. WS
 SHEET 2 OF 2

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING HERITAGE TREE REMOVAL PERMITS FOR THE PROPERTY LOCATED AT 312 AND 313 CONSTITUTION DRIVE

WHEREAS, on December 3, 2012, the City of Menlo Park (“City”) received an application from Facebook, Inc., a Delaware corporation (“Project Sponsor”) for removal of 175 heritage trees at the property located at 312 and 313 Constitution Drive (“Project Site”) as more particularly described and shown in “Exhibit A”; and

WHEREAS, the requested tree removals are necessary in order to redevelop the Project Site; and

WHEREAS, the removal of Heritage Trees within the City is subject to the requirements of Municipal Code Chapter 13.24, Heritage Trees; and

WHEREAS, the City Arborist reviewed the requested tree removals on December 12, 2012; and

WHEREAS, the City Arborist determined that a majority of the 175 Heritage Trees are impeding the redevelopment of the Project Site; and

WHEREAS, the City Arborist determined that the 175 Heritage Trees proposed for removal were of inferior species and that the majority of the Heritage Trees are in fair to poor health or dead; and

WHEREAS, the City Arborist determined that the proposed 216 24-inch box replacement trees would be more compatible with the adjacent natural environment; and

WHEREAS, all required public notices and public hearings were duly given and held according to law; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the Planning Commission of the City of Menlo Park on February 25, 2013 whereat all persons interested therein might appear and be heard; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve the Heritage Tree Removal Permit; and

WHEREAS, after notice having been lawfully given, a public hearing was scheduled and held before the City Council of the City of Menlo Park on March 19, 2013 whereat all persons interested therein might appear and be heard.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby approves the Heritage Tree Removal Permits, which shall be valid until June 30, 2014 and can be extended for a period of one-year by the Community Development Director if requested by the applicant.

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-sixth day of March, 2013, by the following votes:

AYES:

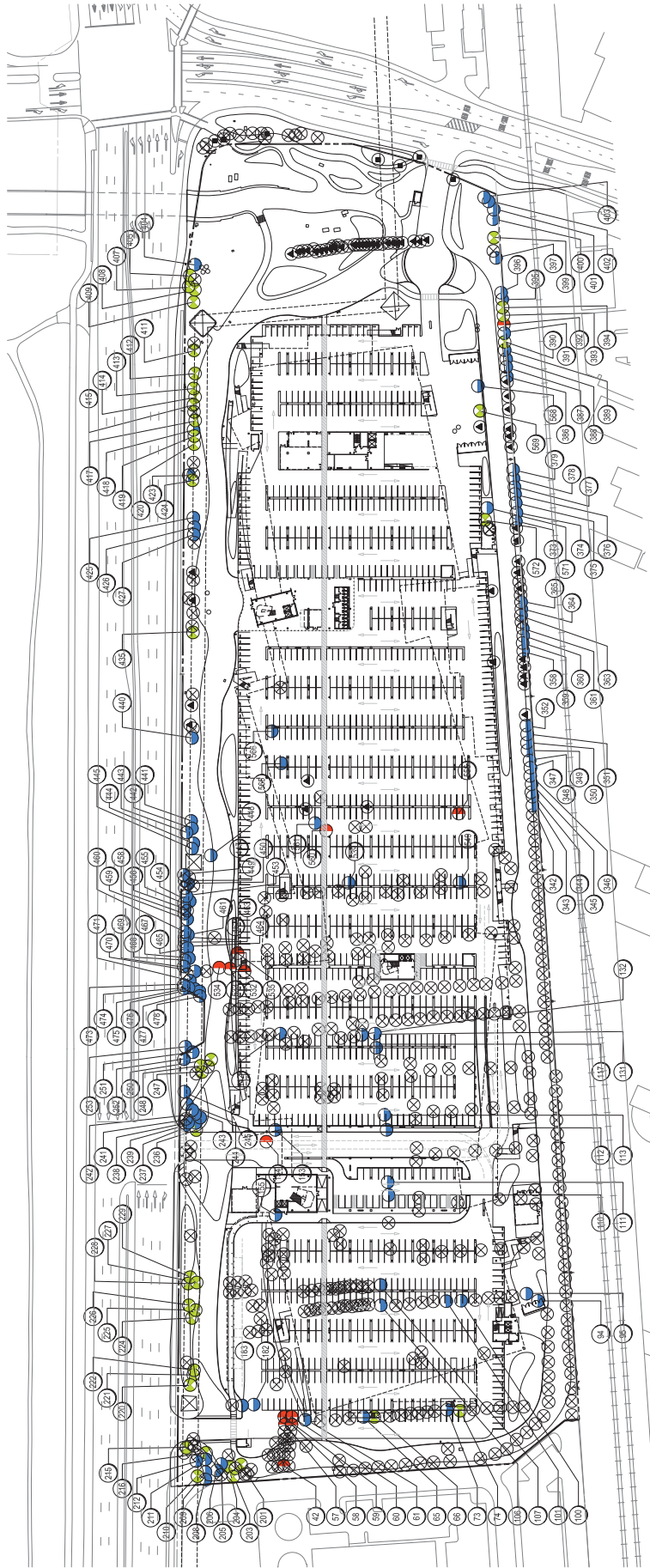
NOES:

ABSENT:

ABSTAIN:

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

Margaret S. Roberts, MMC
City Clerk



REMOVAL TOTALS	SYMBOL	DESCRIPTION	REPLACEMENT VALUE	REPLACEMENT TOTALS
41	Green circle	Heritage tree with GOOD health	2:1	82
121	Blue circle	Heritage tree with FAIR-POOR health	1:1	121
13	Red circle	Heritage tree with POOR/DEAD health	1:1	13
175 TOTAL				216 TOTAL

REMOVAL TOTALS	SYMBOL	DESCRIPTION	REPLACEMENT VALUE	REPLACEMENT TOTALS
359 TOTAL	Circle with X	Non-heritage tree	NA	NA

NOTE: Non-Heritage Trees are tagged on site but are not numbered on this plan

SYMBOL	DESCRIPTION	REMOVAL TOTALS	REPLACEMENT TOTALS
Circle with X	UNDERCROSSING TREE REMOVAL AND REPLACEMENT - Trees Previously Removed with Permit	7	11
Green circle	Heritage Trees	12	NA
Blue circle	Non-Heritage Trees	12	NA
Circle with X	SITE REMEDIATION TREE REMOVAL AND REPLACEMENT - Trees Previously Removed with Permit	51	88
Green circle	Heritage Trees	20	NA
Blue circle	Non-Heritage Trees	20	NA
Circle with X	WEST CAMPUS TREE REMOVAL AND REPLACEMENT	175	216
Green circle	Heritage Trees	359	NA
Blue circle	Non-Heritage Trees	684 TOTAL	315 TOTAL

PROJECT AREA	NUMBER OF TREES
GROUND LEVEL TREES	332
TERRACE LEVEL (POTENTIAL)	25
ROOF LEVEL (POTENTIAL)	205
TOTAL	562

NOTES

- The total number of new Ground Level trees is inclusive of the Undercrossing and Site Remediation tree replacement requirement.
- All trees, including trees required for Heritage Tree Replacement, shall be 24" box minimum.



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 312 & 313 CONSTITUTION DR.
 MENLO PARK, CALIFORNIA

WL.1: TREE DISPOSITION PLAN
 SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2012



west campus

facebook west campus plan
submission
february 1, 2013

DRAWING SHEET INDEX

SHEET #	SHEET TITLE	SCALE	ISSUE AND DATE		
			ISSUE NUMBER	DATE	BY
00	001 CIVIL DRAWING INDEX				
00 1	PROPOSED GRADING PLAN	1"=8'-0"			
00 2	PROPOSED STORM DRAINAGE SYSTEM	1"=8'-0"			
00 3	PROPOSED STORMWATER QUALITY PLAN	1"=8'-0"			
00 4	TREATMENT AREA SECTION	NTS			
00 5	PROPOSED SANITARY SEWER SYSTEM	1"=8'-0"			
00 6	PROPOSED WATER SYSTEM	1"=8'-0"			
00 7	PROPOSED LIGHT SYSTEM	1"=8'-0"			
00 8	LANDSCAPE DRAWING INDEX				
00 1.1	TREE POSITION PLAN	1"=8'-0"			
00 1.2	SCHEMATIC LANDSCAPE GROUND PLAN	1"=8'-0"			
00 1.3	SCHEMATIC LANDSCAPE LEVEL 1 PLAN	1"=8'-0"			
00 1.4	SCHEMATIC LANDSCAPE ROOF PLAN	1"=8'-0"			
00 1.5	WETLANDS PLANS & SECTIONS	1"=32'-0"			
00 1.6	ENLARGED ENTRY PLANS	1"=32'-0"			
00 1.7	ENLARGED ENTRY PLANS	1"=32'-0"			
00 1.8	SCHEME & FINISH PLAN	1"=8'-0"			
00 1.9	CONNECTIVITY - BOTH CAMPUSES	1"=162'-0"			
00 1.10	CONNECTIVITY - WEST CAMPUS	1"=8'-0"			
00 1.11	UNDERCROSSING CONNECTIVITY	1"=6'-0"			
00 1.12	UNDERCROSSING SECTION	AS NOTED			

DRAWING SHEET INDEX

SHEET #	SHEET TITLE	SCALE	ISSUE AND DATE		
			ISSUE NUMBER	DATE	BY
00	001 PROJECT INFORMATION				
00 1.0	TITLE PAGE COVER	NTS			
00 1.1	DRAWING SCHEDULE	NTS			
00 1.2	AREA PLAN	1"=200'-0"			
00 1.3	ARCHITECTURAL DRAWING INDEX				
00 1.3.1	SLAB & BEAM PLAN	1"=100'-0"			
00 1.3.2	TOPOGRAPHIC SURVEY	1"=8'-0"			
00 1.3.3	PROPOSED SITE PLAN	1"=8'-0"			
00 1.3.4	SITE PLAN OVERLAY	1"=8'-0"			
00 1.3.5	SAVING FRONT EXPRESSWAY	1"=8'-0"			
00 1.3.6	PARKING PLAN	1"=80'-0"			
00 1.3.7	FIRST FLOOR PLAN	1"=80'-0"			
00 1.3.8	MEZZANINE PLAN	1"=80'-0"			
00 1.3.9	ROOF LEVEL PLAN	1"=80'-0"			
00 1.3.10	PROPOSED AREA STATEMENT	NTS			
00 1.3.11	LOT COVERAGE DIAGRAM	1"=80'-0"			
00 1.3.12	SQUARE FOOTAGE DIAGRAM	1"=100'-0"			
00 1.3.13	SQUARE FOOTAGE DIAGRAM	1"=100'-0"			
00 1.3.14	NORTH ELEVATION	1"=20'-0"			
00 1.3.15	SOUTH ELEVATION	1"=20'-0"			
00 1.3.16	EAST & WEST ELEVATIONS	1"=20'-0"			
00 1.3.17	EMERGENCY VEHICLE ACCESS PLAN	1"=8'-0"			
00 1.3.18	EMERGENCY VEHICLE TURNING PLAN	1"=8'-0"			
00 1.3.19	EMERGENCY VEHICLE TURNING PLAN	1"=8'-0"			
00 1.3.20	EMERGENCY VEHICLE TURNING PLAN	1"=8'-0"			
00 1.3.21	LANDSCAPE SECTIONS	1"=32'-0"			
00 1.3.22	TRASH AND RECYCLING COLLECTION PLAN	1"=8'-0"			
00 1.3.23	LOADING DOCK DELIVERY PLAN	1"=8'-0"			
00 1.3.24	CAMPUS SHUTTLE TURNING PLAN	1"=8'-0"			
00 1.3.25	SECURITY PLAN	1"=8'-0"			
00 1.3.26	SITE SECTION - OVERLAY SET 1	1"=20'-0"			
00 1.3.27	SITE SECTION - OVERLAY SET 2	1"=20'-0"			
00 1.3.28	SITE SECTION - OVERLAY SET 3	1"=20'-0"			
00 1.3.29	SITE SECTION	1"=20'-0"			
00 1.3.30	SITE SECTION	1"=20'-0"			
00 1.3.31	SITE SECTION	1"=20'-0"			
00 1.3.32	SHADOW STUDY	NTS			
00 1.3.33	SHADOW STUDY	NTS			
00 1.3.34	PHOTO SIMULATION KEY PLAN	NTS			
00 1.3.35	PHOTO SIMULATION	NTS			
00 1.3.36	PHOTO SIMULATION	NTS			
00 1.3.37	PHOTO SIMULATION	NTS			
00 1.3.38	PHOTO SIMULATION	NTS			
00 1.3.39	PHOTO SIMULATION	NTS			
00 1.3.40	PHOTO SIMULATION	NTS			
00 1.3.41	PHOTO SIMULATION	NTS			
00 1.3.42	PHOTO SIMULATION	NTS			
00 1.3.43	PHOTO SIMULATION	NTS			
00 1.3.44	PHOTO SIMULATION	NTS			
00 1.3.45	PHOTO SIMULATION	NTS			

ISSUED ISSUED FOR REFERENCE



A0.1: DRAWING INDEX

FEBRUARY 1, 2013



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 312 & 313 CONSTITUTION DR.
 MENLO PARK, CALIFORNIA

A.0.2: AREA PLAN
 SCALE: 1"=200'
 11X17 SCALE: 1"=400'
 FEBRUARY 1, 2013

EXISTING AREA
22.12 ACRES

TOTAL AREA AFTER LOT LINE ADJUSTMENT

963,682 SF (AREA INCLUDES ACCOUNTING FOR NET EFFECT OF CALTRANS ASSUMING NET AREA WILL BE RELOCATED WITH NEW PROJECT ENTRANCE TO BE CONFIRMED DURING CALTRANS APPLICATION PROCESS)

EXISTING PARKING COUNT

STANDARD STALLS - 340
HANDICAP STALLS - 7
MOTORCYCLE - 8 (4 STANDARD)

FLOOD ZONE

FEMA ZONE: AE7 (PER FLOOD INSURANCE RATE MAP DATED 4/21/99, COMMUNITY PANEL NUMBER 060321 0005 0)
BASE FLOOD ELEVATION IS 7.5 FEET*

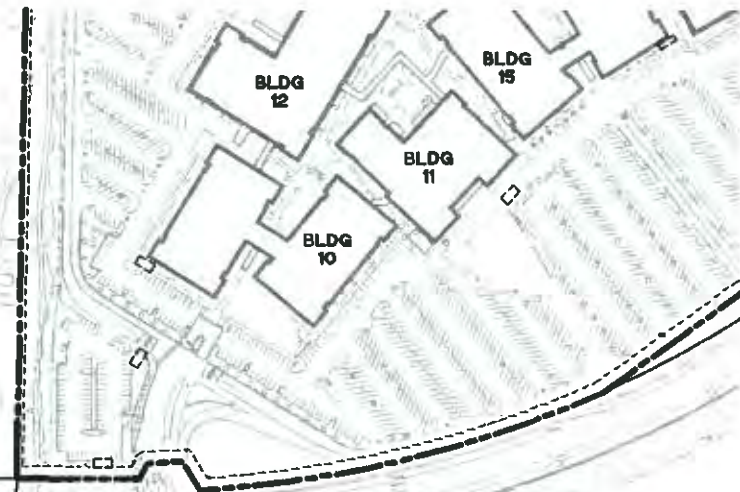
*PER FLOOD INSURANCE STUDY BY FEMA, APRIL 21, 1999 (NOV028)

LEGEND

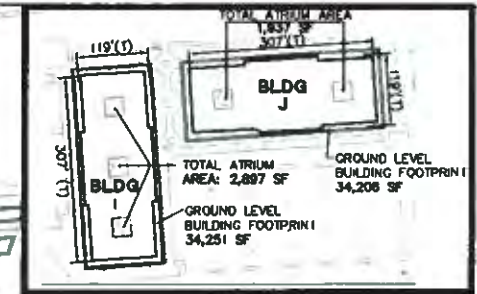
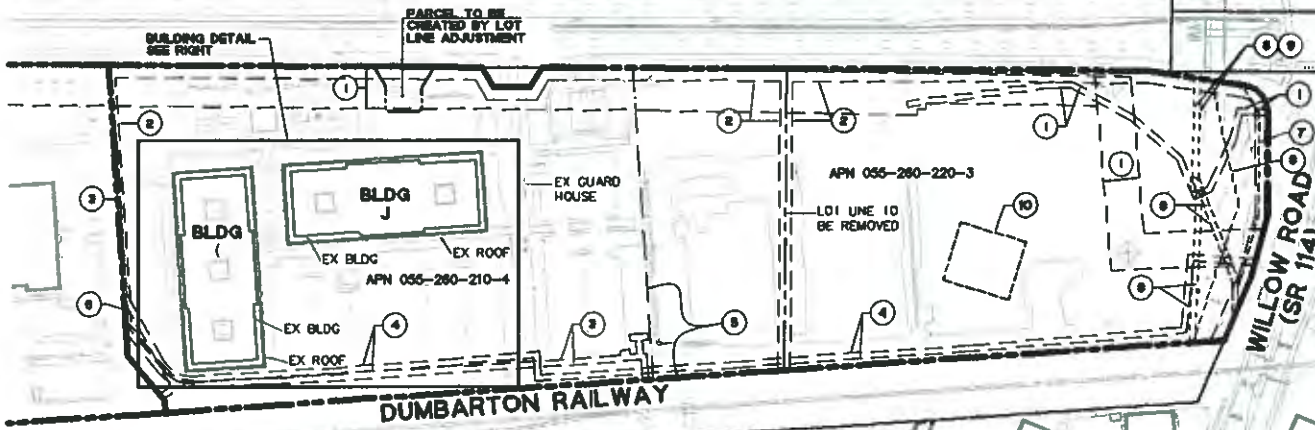
- PROPERTY LINE
- PUBLIC RIGHT-OF-WAY
- NON-ACCESS AREA (CALTRANS)
- (1) TOTAL

EASEMENT INFORMATION

- 1 PG&E EASEMENT
- 2 SETBACK LINE
- 3 GAS EASEMENT (PRIVATE)
- 4 STORM DRAIN EASEMENT (PRIVATE)
- 5 SEWER EASEMENT (PRIVATE)
- 6 NON-EXCLUSIVE EASEMENT IS FOR STREET LIGHTS, TREES, & IRRIGATION SYSTEM ADJACENT TO WILLOW ROAD.
- 7 NON-EXCLUSIVE EASEMENT TO THE CITY FOR WATER & PG&E FACILITIES.
- 8 NON-EXCLUSIVE EASEMENT FOR FIRE PROTECTION WATER
- 9 NON-EXCLUSIVE EASEMENT FOR PG&E & CABLE
- 10 RESTRICTED USE EASEMENT TO BE VOLUNTARILY REMEDIATED PENDING DTSC AND TE CONNECTIVITY AGREEMENT AND APPROVAL.



BAYFRONT EXPRESSWAY (SR 84)



EXISTING WEST CAMPUS BUILDING INFORMATION

BUILDING #	BLDG FOOTPRINT	ATRIMUM	GFA/FLOOR	# OF FLOORS	TOTAL GSF
BUILDING I	34,251 SF	2,897 SF	31,354 SF	2	62,708 SF
BUILDING J	34,206 SF	1,937 SF	32,269 SF	2	64,538 SF
TOTAL GSF					127,246 SF

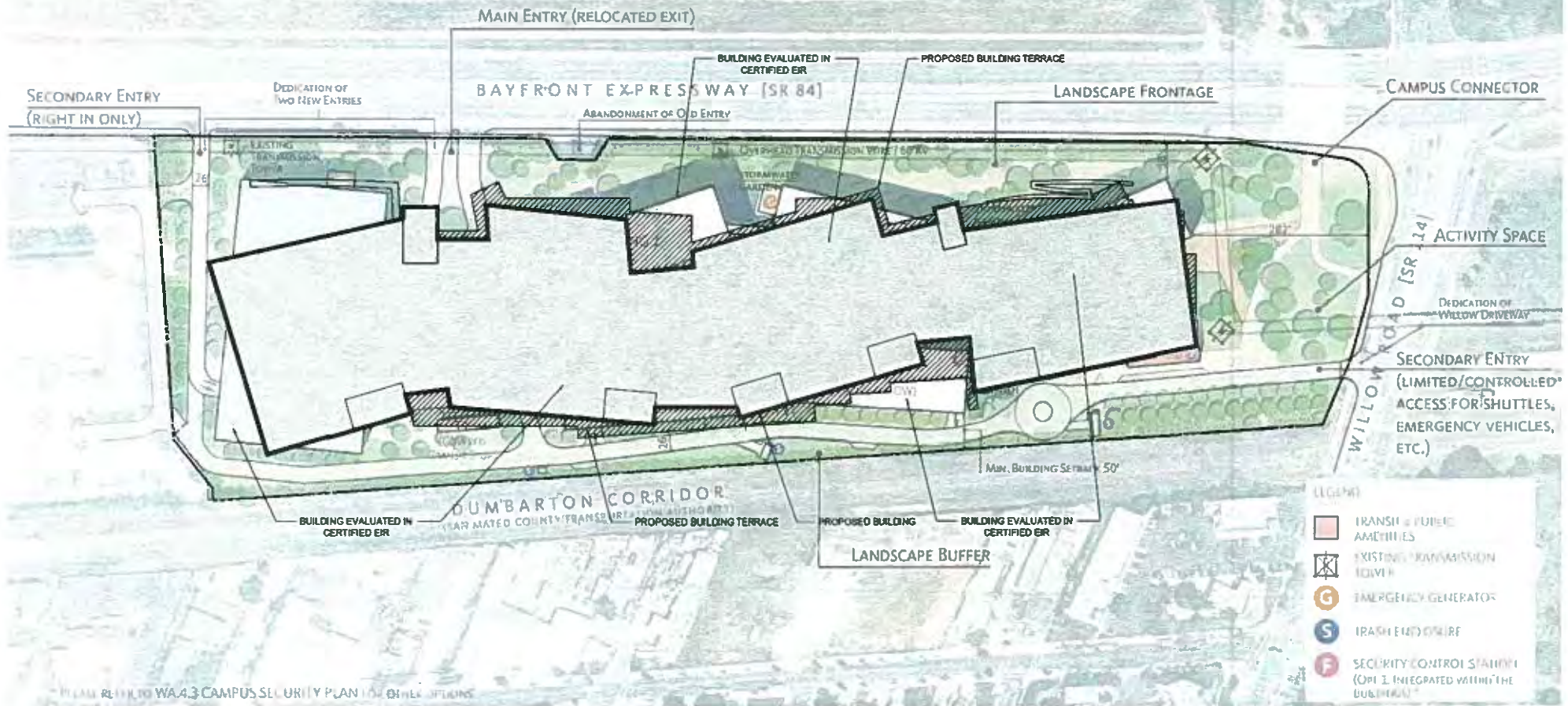


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WA.1: EXISTING SITE PLAN

SCALE: 1"=100'
11X17 SCALE IS 1"=200'
FEBRUARY 1, 2013

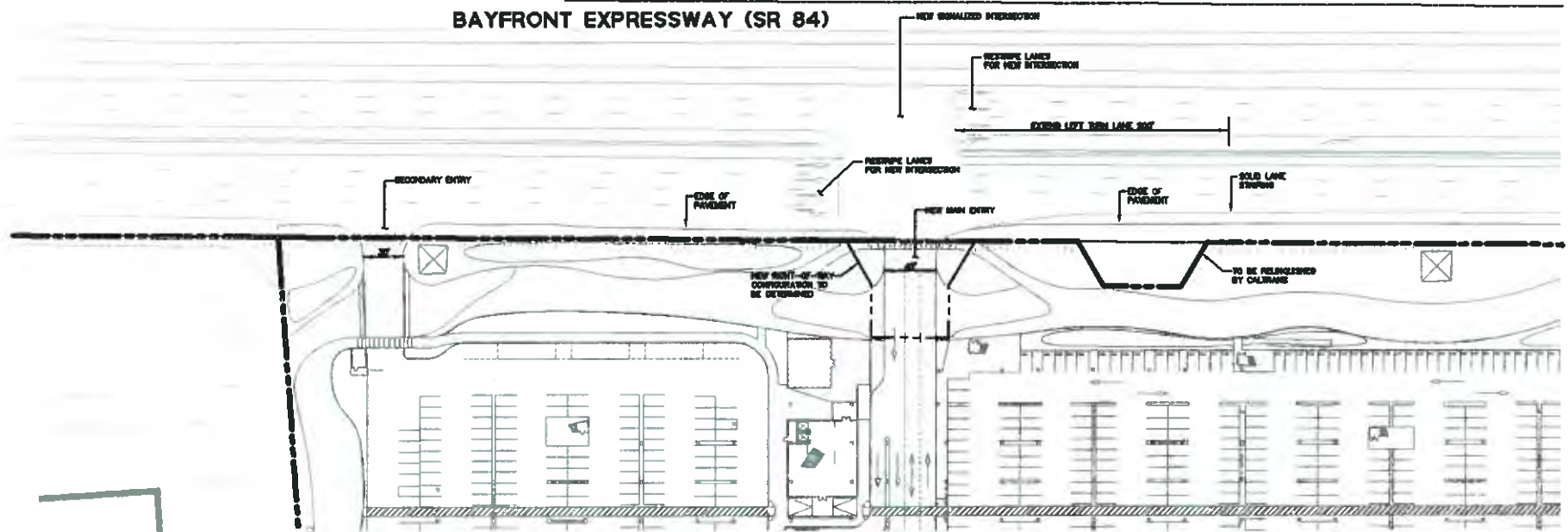
NOTE: THE EXISTING LOT LINE WILL BE ELIMINATED THROUGH A LOT MERGER OR OTHER INSTRUMENT.



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 MENLO PARK, CALIFORNIA

WA.2.1: SITE PLAN OVERLAY
 SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2013





BAYFRONT EXPRESSWAY (SR 84)



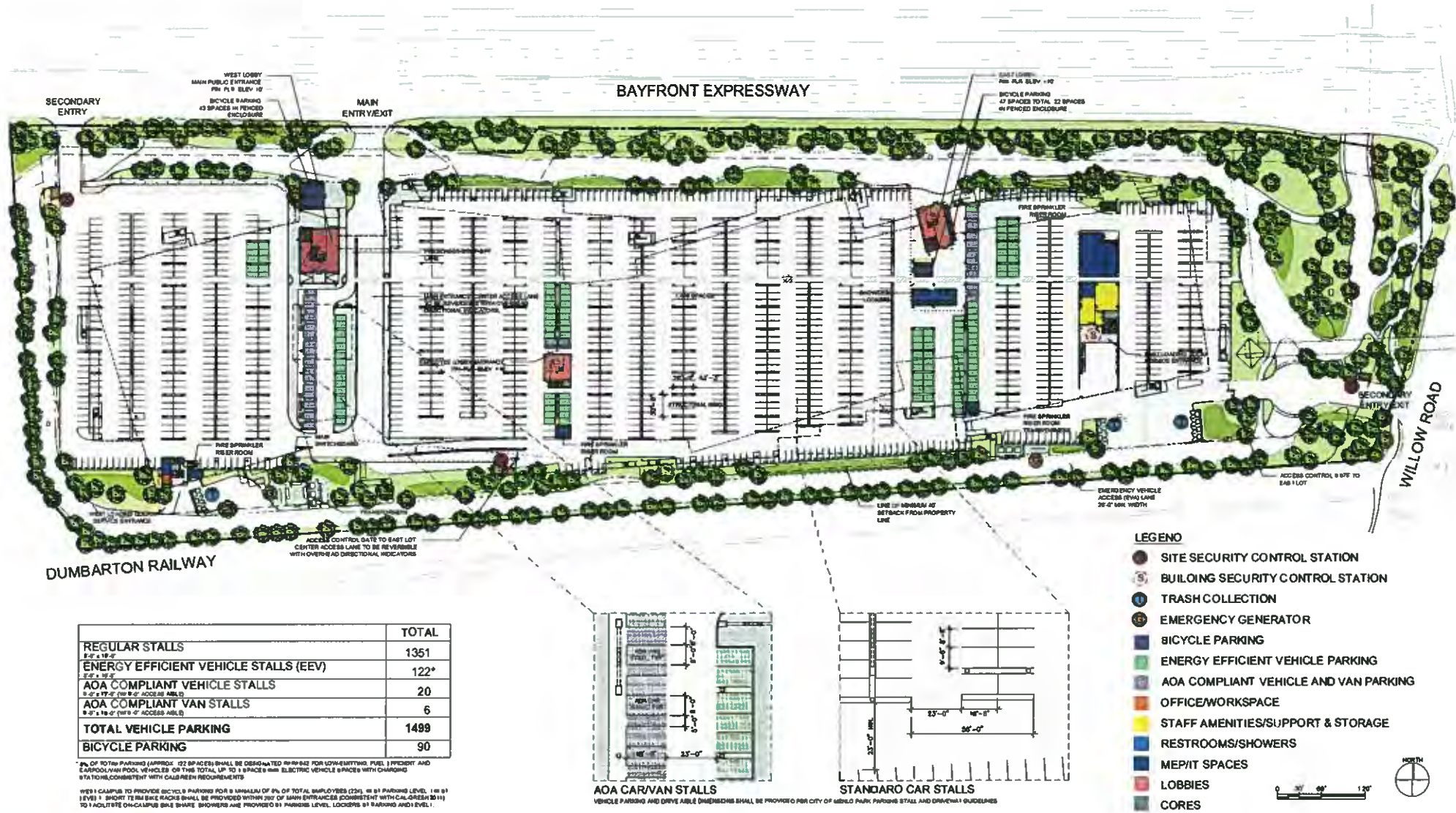
NOTES

1. BAYFRONT IMPROVEMENT LAYOUT ARE CONCEPTUAL AND INFORMATIVE. FINAL LAYOUT ENGINEERING DESIGN WILL BE PERFORMED AT THE TIME OF PROJECT PLAN CONSTRUCTION.
2. REFER TO PROJECT TRAFFIC ENGINEER REPORT FOR ADDITIONAL INFORMATION AND DETAIL.
3. ACCESS POINTS AND ALL IMPROVEMENTS ON BAYFRONT EXPRESSWAY ARE SUBJECT TO REVIEW AND APPROVAL BY CALTRANS. CALTRANS WRITTEN APPROVAL OF THE TRAFFIC SIGNAL TO THE SATISFACTION OF THE PUBLIC WORKS DIRECTOR IS REQUIRED PRIOR TO ISSUANCE OF BUILDING PERMIT FOR THE BUILDING FOUNDATION.
4. ALL PEDESTRIAN PATHWAYS SHALL MEET ACCESSIBILITY REQUIREMENTS.

LEGEND

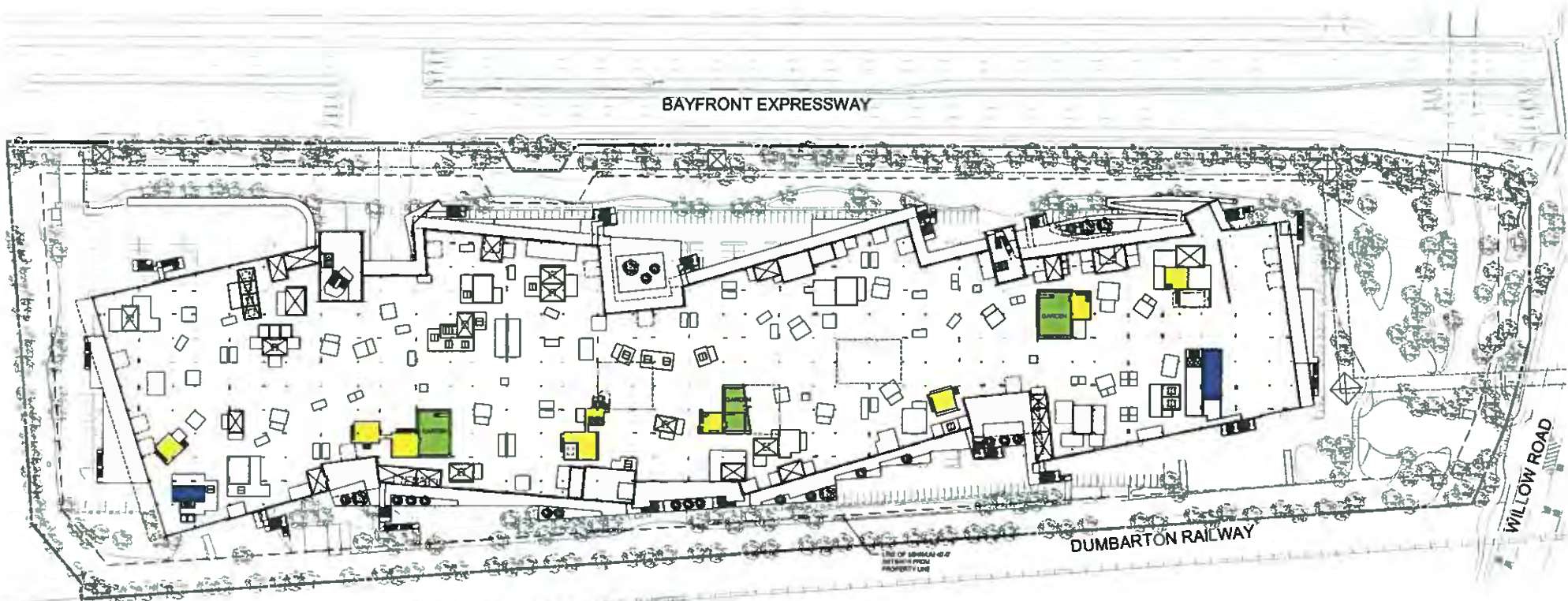
-  PROPERTY LINE
-  EASEMENT
-  BAYFRONT EXPRESSWAY (SR 84) RIGHT-OF-WAY
-  NON-ACCESS AREA (CALTRANS)





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MENLO PARK, CALIFORNIA

WA.3.1: PARKING PLAN
SCALE 1"=60'
11X17 SCALE IS 1"=120'
FEBRUARY 1, 2013

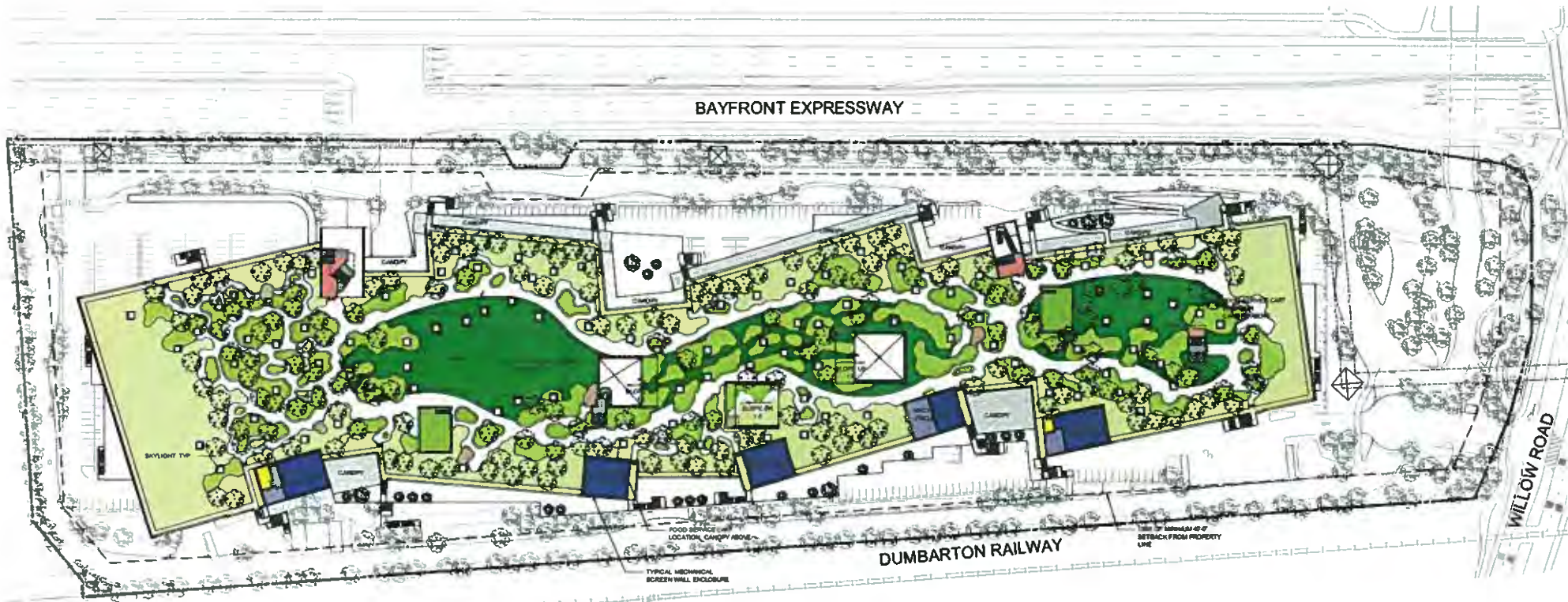


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MENLO PARK, CALIFORNIA

WA.3.2.1: MEZZANINE PLAN

SCALE: 1"=60'
14X17 SCALE IS 1"=120'
FEBRUARY 1, 2013



NOTE
 THE ROOF IS INTENDED AS A SOCIAL SPACE FOR WALKING AND ASSEMBLY FUNCTIONS. A TEMPORARY SPECIAL EVENT TENT (SEE DESCRIPTION BELOW) MAY BE ERECTED FOR SINGLE DAY EVENTS SUCH AS PRODUCT LAUNCHES, ALL-HANDS MEETINGS, AND COMPANY SOCIAL GATHERINGS THAT COULD OCCUR DURING BOTH DAY AND EVENING HOURS. WALKING PATHS, WITH ADJACENT AREAS OF FURNITURE FOR SEATING AND DINING WILL BE PROVIDED WITH THE USE OF FOOD SERVICE CARTS AND PORTABLE GAS BARBECUES. AT THE FOOD SERVICE CART LOCATIONS, EITHER A FABRIC TENT AND/OR A CANOPY STRUCTURE WITH A SERVING COUNTER MAY BE PROVIDED TO AUGMENT THE FOOD SERVICE CARTS FOR SHADE AND INCLEMENT WEATHER PROTECTION.

THE HORIZONTAL DIMENSIONS OF THE TEMPORARY SPECIAL EVENT TENT WOULD BE APPROXIMATELY 80'x180' WITH A MAXIMUM VERTICAL PEAK APPROXIMATELY 28' ABOVE THE LAWN (SEE WA-7 1B & WA-7 5B). THE MAXIMUM TENT PEAK HEIGHT WOULD BE LIMITED BY THE MAXIMUM BUILDING HEIGHT OF 73' ABOVE AVERAGE NATURAL GRADE. NOISE AND LIGHTING IMPACTS FROM THE SPECIAL EVENT SHALL BE WITHIN THE CURRENT APPLICABLE ZONING ORDINANCES.

SEE SHEET WA 2.0 PROPOSED SITE PLAN FOR ROOF PLAN & MINIMUM LIGHTING STANDARDS.

LEGEND

- STORAGE
- RESTROOMS
- MEP SPACES - SCREENED
- MEP SPACES - COVERED
- LOBBIES
- CORES/VERTICAL CIRCULATION

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WA.3.3: ROOF LEVEL PLAN
 SCALE: 1"=60'
 11X17 SCALE IS 1"=120'
 FEBRUARY 1, 2013

DEVELOPMENT STANDARDS	PROPOSED PROJECT	M-2 ZONING ORDINANCE
LOT AREA	963,682 SF	25,000 SF MIN.
AVERAGE LOT WIDTH	500.75 FT	100 FT MIN.
AVERAGE LOT DEPTH	1846.4 FT	100 FT MIN.
SETBACKS		
FRONT	Proposed 40 FT, Min. 40 FT	20 FT
REAR	Proposed 49 FT, Min. 40 FT	0 FT
SIDE (LEFT)	Proposed 60 FT, Min. 40 FT	10 FT
SIDE (RIGHT)	Proposed 60 FT, Min. 40 FT	10 FT
BUILDING COVERAGE		
COVERAGE: (INCLUDES BUILDING ENCLOSURE, EXTERIOR TERRACES, SECURITY STATIONS)	485,124 SF	481,841 SF
	Proposed 50.34%; Max. 55%	50 %
FAR (FLOOR AREA RATIO)	433,555 SF / 963,682 SF	433,656 SF / 963,682 SF
	44.99 %	45 %
SQUARE FOOTAGE BY FLOOR		
GROUND FLOOR	14,293 SF	
FIRST FLOOR	403,691 SF	
MEZZANINE	9,802 SF	
ROOF LEVEL	5,319 SF	
ACCESSORY BUILDING (SECURITY STATIONS)	450 SF	
TOTAL SQUARE FOOTAGE	433,555 SF	433,656 SF
BUILDING HEIGHT ABOVE AVG. NATURAL GRADE*		
	73 FT	35 FT
PARKING		
PARKING PROVIDED ONSITE	1,499 SP.	
CALCULATED BASIS: 1 SPACE / 300 SF		1,446 SP. MIN.

*AVERAGE NATURAL GRADE IS ESTIMATED AT +7'-10"

PERVIOUS / IMPERVIOUS SURFACES	
GROUND FLOOR	
PERVIOUS LANDSCAPE (OUTSIDE BUILDING FOOTPRINT)	185,636 SF
PERVIOUS EMERGENCY VEHICLE ACCESS LANE (PERVIOUS CONCRETE)	133,537 SF
IMPERVIOUS PAVING (OUTSIDE BUILDING FOOTPRINT)	154,754 SF
ACCESSORY BUILDING ROOFS (IMPERVIOUS AREA)*	1,351 SF
FIRST FLOOR	
IMPERVIOUS TERRACE	71,113 SF
ROOF LEVEL*	
PERVIOUS GREEN ROOF LANDSCAPE/PATH	357,479 SF
IMPERVIOUS ROOF	59,812 SF
TOTAL PERVIOUS SURFACE WITH GREEN ROOF	676,652 SF
	70 %
TOTAL IMPERVIOUS SURFACE WITH GREEN ROOF	287,030 SF
	30 %
TOTAL PERVIOUS SURFACE EXCLUDING GREEN ROOF	319,173 SF
	33 %
TOTAL IMPERVIOUS SURFACE EXCLUDING GREEN ROOF	644,509 SF
	67 %

*POTENTIAL GREEN ROOF AREA REPORTED IS SUBJECT TO REFINEMENT
* INCLUDES SECURITY STATIONS AND TRASH ENCLOSURES

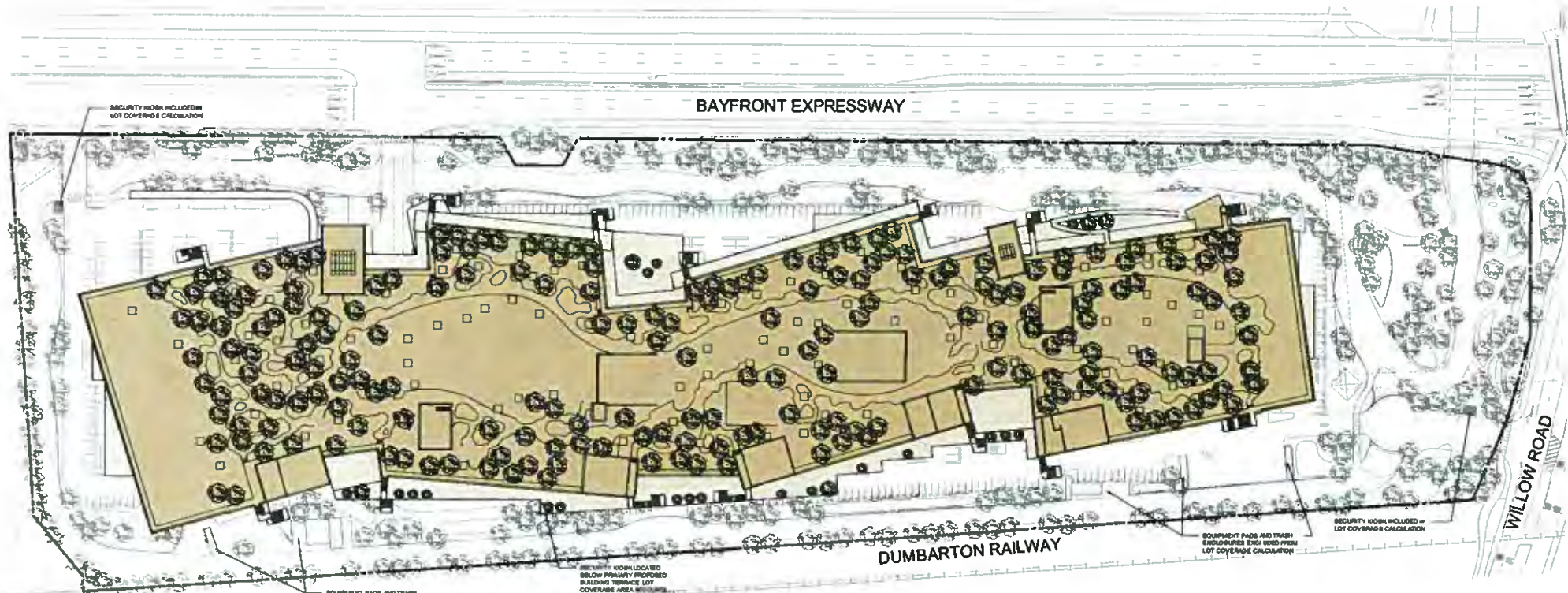
REFER TO WL 1 TREE DISPOSITION PLAN FOR A DETAILED SUMMARY OF TREE REMOVAL AND REPLACEMENT REQUIREMENTS.

THE MAXIMUM FAR IS 45% BASED ON THE NET LOT AREA AFTER ACCOUNTING FOR THE ANTICIPATED NET EFFECT OF CALTRANS DEDICATIONS & ABANDONMENTS, PER SHEET WA.1.
LOT AREA REFERS TO THE AREA CONTAINED WITHIN THE PROPERTY LINE. REFER TO WA.14 PROJECT SURVEY



WA.3.4: PROPOSED AREA STATEMENT

FEBRUARY 1, 2013



LAND COVER CALCULATION	
Building Enclosure Area	416,360 sf
Exterior Terrace/Canopy Area	68,474 sf
Security Station Area	300 sf
Total Coverage	485,124 sf
Building Site Area	963,682 sf
Coverage Percentage	50.34 %
Max. Coverage Percentage	55.00 %

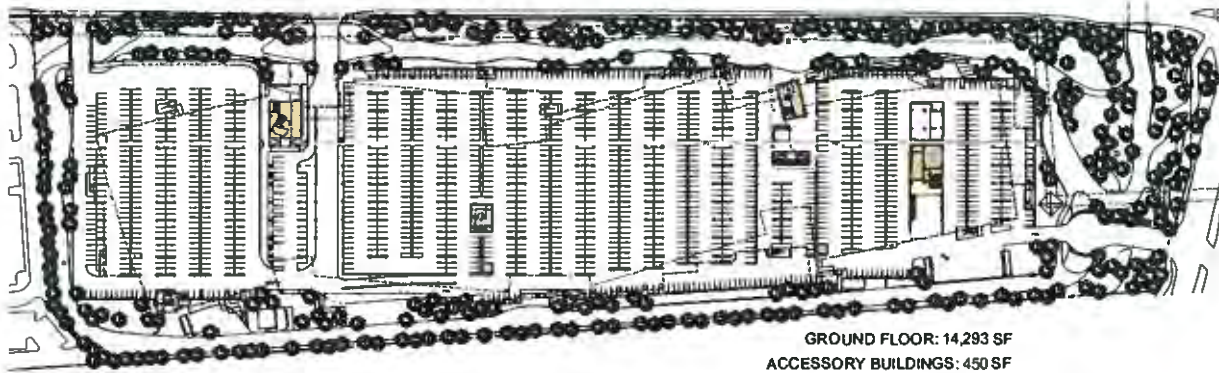
- LEGEND**
- BUILDING ENCLOSURE
 - EXTERIOR TERRACE/CANOPY
 - SECURITY STATIONS

Note:
 Exterior stairs do not have roofs.
 Trash enclosures and equipment pads are excluded from lot coverage calculation per City of Menlo Park Planning Division



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WA.3.5: LOT COVERAGE DIAGRAM
 SCALE: 1"=60'
 11X17 SCALE IS 1"=120'
 FEBRUARY 1, 2013



TRASH ENCLOSURE AREA IS EXCLUDED FROM GROSS FLOOR AREA
CALCULATION PER CITY OF MENLO PARK ZONING ORDINANCE

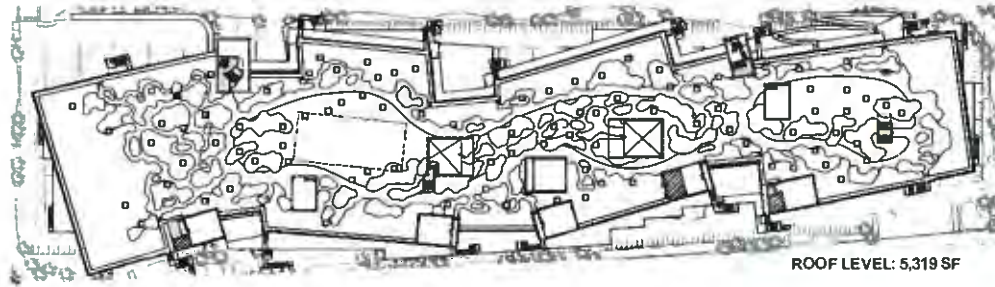
LEGEND

-  BUILDING ENCLOSURE
-  EXTERIOR TERRACE
-  SECURITY STATIONS
-  ENCLOSURE AREA



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WA.3.6: SQUARE FOOTAGE DIAGRAM
SCALE: 1"=100'
11X17 SCALE IS 1"=200'
FEBRUARY 1, 2013



TOTAL SQUARE FOOTAGE: 433,555 SF
433,555 / 983,682 SF = 44.99% FAR

GFA CALCULATION

	Ground Floor	First Floor	Mezzanine Level	Roof Level	Total
Enclosure Area	15,793 sf	405,284 sf	399,098 sf	18,320 sf	838,495 sf
Open to Below Areas	0 sf	1,593 sf	387,796 sf	9,751 sf	399,140 sf
Sub-Total Gross Areas	15,793 sf	403,691 sf	11,302 sf	8,569 sf	439,355 sf
Exclusions to GFA					
Non-Occupiable/Inaccessible Areas	0 sf	0 sf	1,500 sf	0 sf	1,500 sf
Areas for Building Systems - Generators, Mech	0 sf	0 sf	0 sf	3,165 sf	3,165 sf
Shafts - HVAC, Plumbing	0 sf	0 sf	0 sf	85 sf	85 sf
Enclosures for Trash & Recycling	1,050 sf	0 sf	0 sf	0 sf	1,050 sf
Total GFA Exclusions	1,050 sf	0 sf	1,500 sf	3,250 sf	5,800 sf
GFA Calculation Sub-Total Gross Area - Total GFA Exclusions)	14,743 sf	403,691 sf	9,802 sf	5,319 sf	433,555 sf

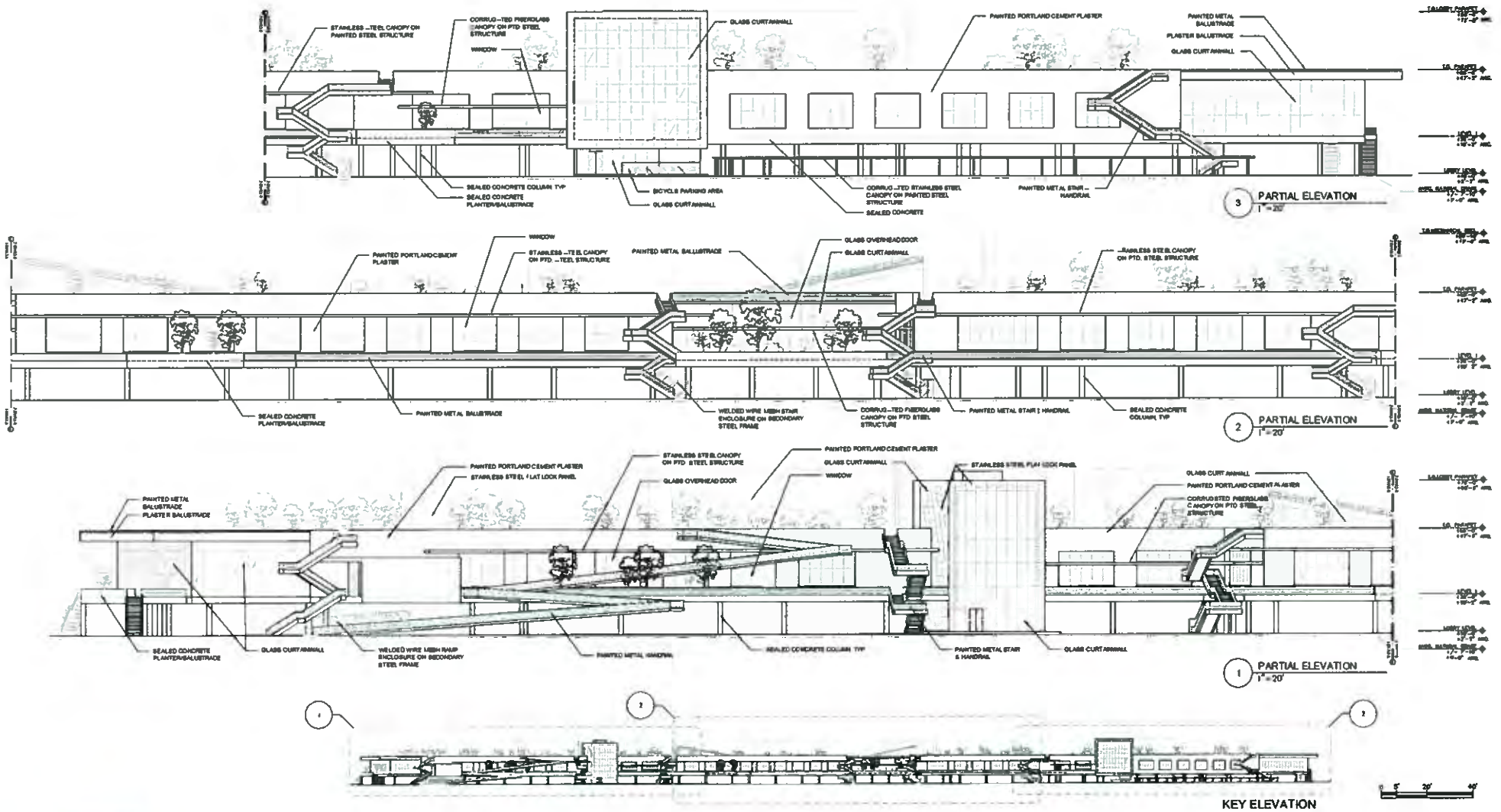
NOTES:

1. Gross Floor Area (GFA) Definition 16.04-.325, Adopted and effective December 1, 2010.
2. Exceptions to GFA 16.04.325 (1) Non-occupiable or non-occupiable spaces not to exceed 3% of maximum allowed GFA.
3. Exceptions to GFA 16.04.325 (2) Building areas with notes generating equipment - mech - generators not to exceed 1% of GFA.
4. Exceptions to GFA 16.04.325 (3) All areas devoted to covered parking and related circulation.
5. Exceptions to GFA 16.04.325 (6) Vent shafts such as building mechanical air ducts.
6. Trash enclosure area is excluded from GFA calculation per City of Menlo Park Zoning Ordinance 16.04.325 C.6.

LEGEND

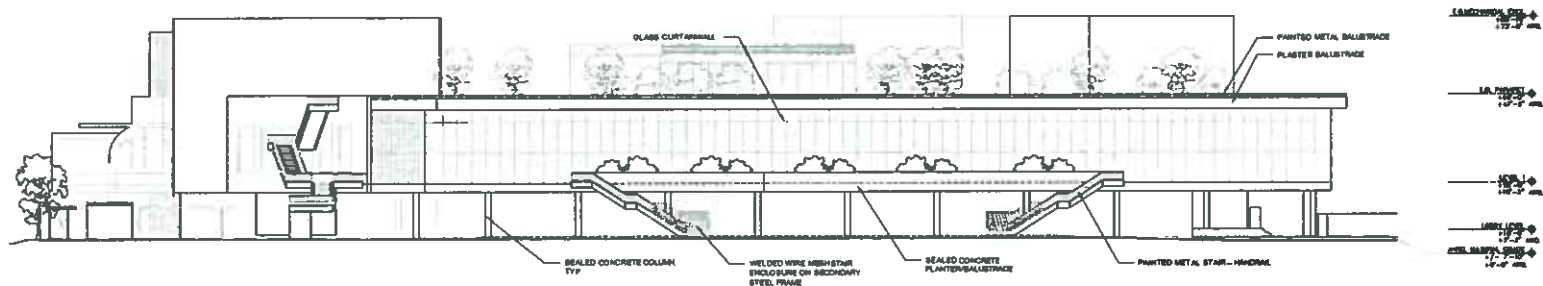
-  EXCLUDED NON-OCCUPIABLE SPACE
SF - EXCLUDED PER CITY OF MENLO PARK
2016 ZONING ORDINANCE SECTION 16.04.325 (1)
-  EXCLUDED MECHANICAL SPACE
SF - EXCLUDED PER CITY OF MENLO PARK
2016 ZONING ORDINANCE SECTION 16.04.325 (2)
-  BUILDING ENCLOSURE
-  EXTERIOR TERRACE
-  SECURITY STATIONS
-  ENCLOSURE AREA



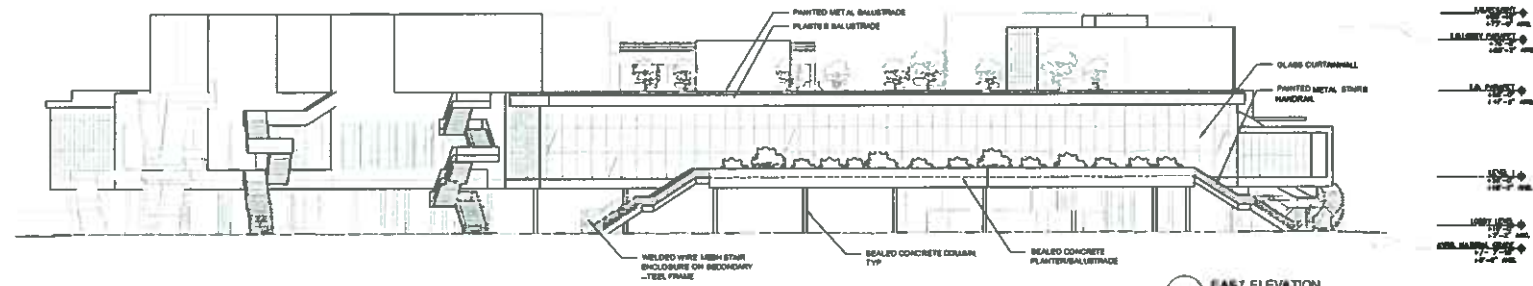


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WA.3.8: NORTH ELEVATION
 SCALE: 1" = 20'
 11X17 SCALE 1" = 40'
 FEBRUARY 1, 2013



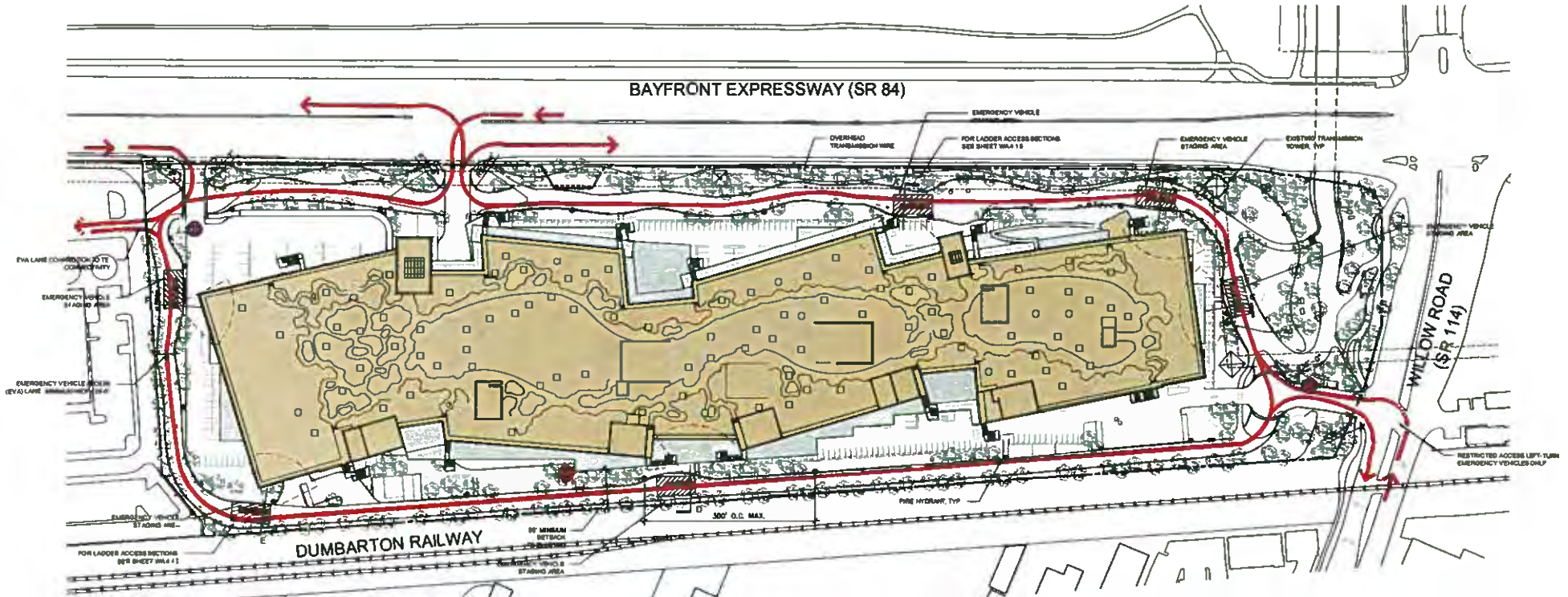
2 WEST ELEVATION
1"=20'



1 EAST ELEVATION
1"=20'

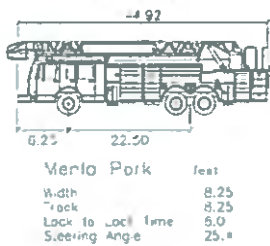


BAYFRONT EXPRESSWAY (SR 84)

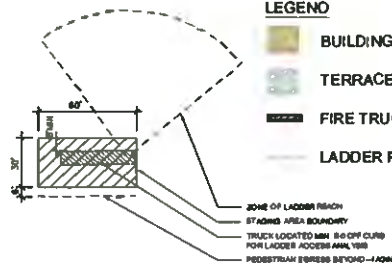


NOTE

1. FIRE HYDRANTS PROVIDED AT A MAXIMUM SPACING OF 300' ON CENTER.
2. FIRE HYDRANTS TO BE PRIVATE
3. STAGING AREAS SHOWN ARE SUBJECT TO REVIEW BY THE MENLO PARK FIRE PROTECTION DISTRICT
4. ROOF ACCESS TO BE CONSISTENT WITH THE FIRE DISTRICT REQUIREMENTS FOR MINIMUM 3'-0" DOORWAYS TO STAIRS FROM FLOOR BELOW.
5. MEDIAN CUT ON WILLOW ROAD IS SUBJECT TO CALTRANS APPROVAL
6. SEE SHEETS WA.4.1.1 THROUGH WA.4.1.4 FOR EMERGENCY VEHICLE TURNING PLANS.
7. PERMANENT FIXED LADDERS SHALL BE PROVIDED FOR PARAPETS OR ROOF ELEVATION CHANGES GREATER THAN 3'-0"



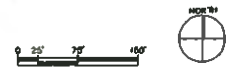
MENLO PARK FIRE TRUCK DATA



STAGING AREA DIAGRAM

LEGEND

- BUILDING ROOF
- TERRACE
- FIRE TRUCK
- LADDER REACH
- FIRE ACCESS - 26'-0" MINIMUM WIDTH
- FIRE STAGING AREA - 30' X 60'
- FIRE DEPARTMENT CONNECTION (FDC)
- FIRE HYDRANT
- SITE SECURITY CONTROL STATION

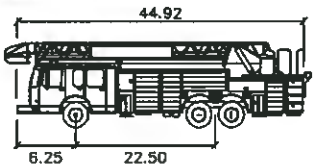
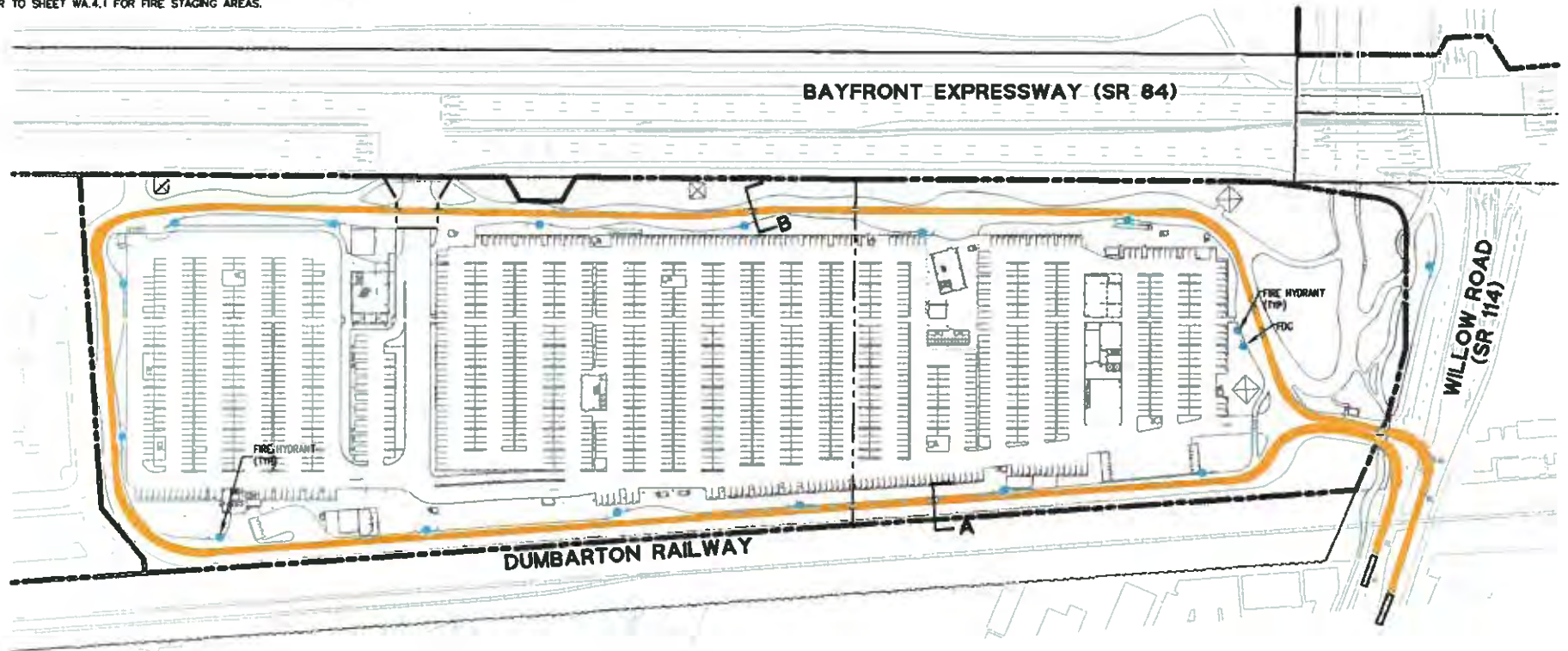


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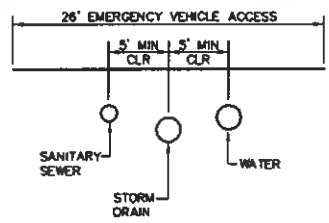
WA.4.1:EMERGENCY VEHICLE ACCESS PLAN

SCALE: 1"=75'
 11X17 SCALE IS 1"=100'
 FEBRUARY 1, 2013

- NOTES:**
 1. REFER SHEET WA.5 FOR PROPOSED WATER SYSTEM.
 2. REFER TO SHEET WA.4.1 FOR EMERGENCY VEHICLE ACCESS PLAN.
 3. REFER TO SHEET WA.4.1 FOR FIRE STAGING AREAS.

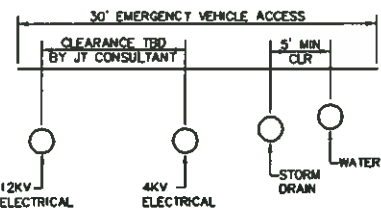


Menlo Park test
 Width : 8.25
 Track : 8.25
 Lock to Lock Time : 6.0
 Steering Angle : 25.4



SECTION A

UTILITY LAYOUT IS CONCEPTUAL AND INFORMATIVE. UTILITY LAYOUT IS SUBJECT TO CHANGE.
 FINAL UTILITY ENGINEERING DESIGN WILL BE PERFORMED AT THE TIME OF PROJECT PLAN CONSTRUCTION



SECTION B

- LEGEND**
- PROPERTY LINE
 - - - - - EASEMENT
 - ===== BAYFRONT EXPRESSWAY (SR 84) RIGHT-OF-WAY
 - NON-ACCESS AREA (CALTRANS)

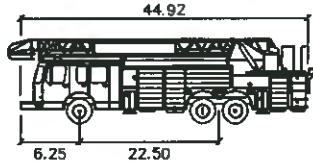
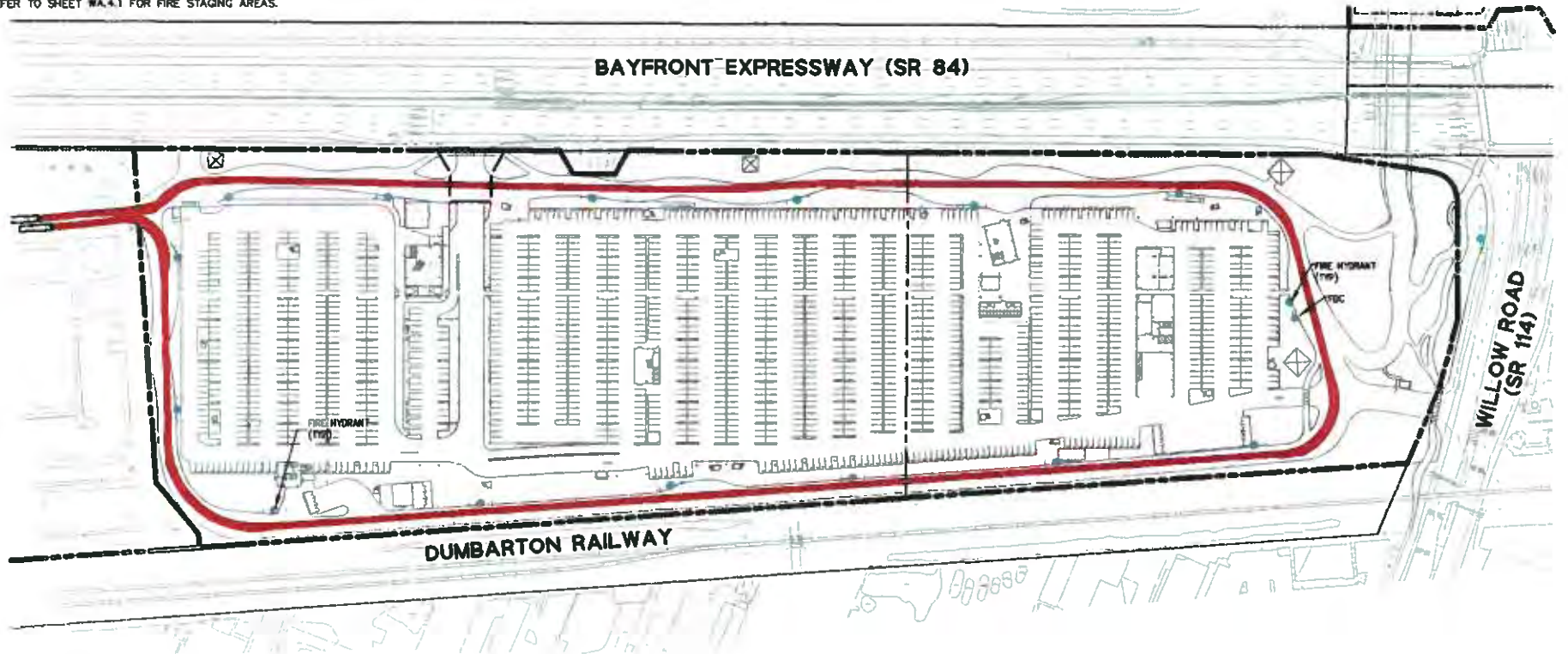


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WA.4.1.1 EMERGENCY VEHICLE TURNING PLAN

SCALE: 1"=75'
 1"X17" SCALE IS 1"=150'
 FEBRUARY 1, 2013

- NOTES:**
 1. REFER SHEET WA.3 FOR PROPOSED WATER SYSTEM.
 2. REFER TO SHEET WA.4.1 FOR EMERGENCY VEHICLE ACCESS PLAN.
 3. REFER TO SHEET WA.4.1 FOR FIRE STAGING AREAS.



Menlo Park	feet
Width	8.25
Track	8.25
Lock to Lock Time	6.0
Steering Angle	25.4

- LEGEND**
- PROPERTY LINE
 - EASEMENT
 - BAYFRONT EXPRESSWAY (SR 84) RIGHT-OF-WAY
 - NON-ACCESS AREA (CALTRANS)



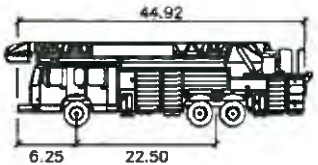
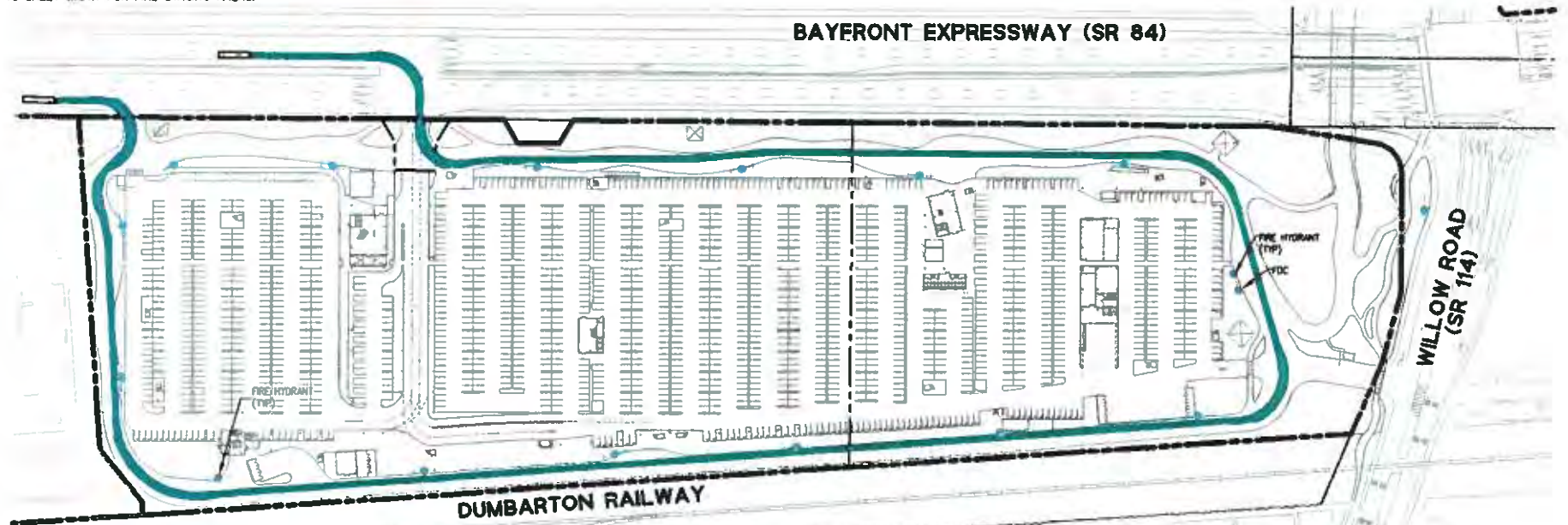
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WA.4.1.2 EMERGENCY VEHICLE TURNING PLAN

SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2013

NOTES

1. REFER SHEET WA.3 FOR PROPOSED WATER SYSTEM
2. REFER TO SHEET WA.4.1 FOR EMERGENCY VEHICLE ACCESS PLAN
3. REFER TO SHEET WA.4.1 FOR FIRE STAGING AREAS.



Menlo Park	feet
Width	8.25
Track	8.25
Lock to Lock Time	6.0
Steering Angle	25.4

- LEGEND**
- PROPERTY LINE
 - EASEMENT
 - BAYFRONT EXPRESSWAY (SR 84) RIGHT-OF-WAY
 - NON-ACCESS AREA (CALTRANS)

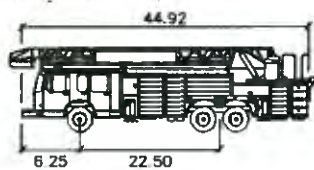
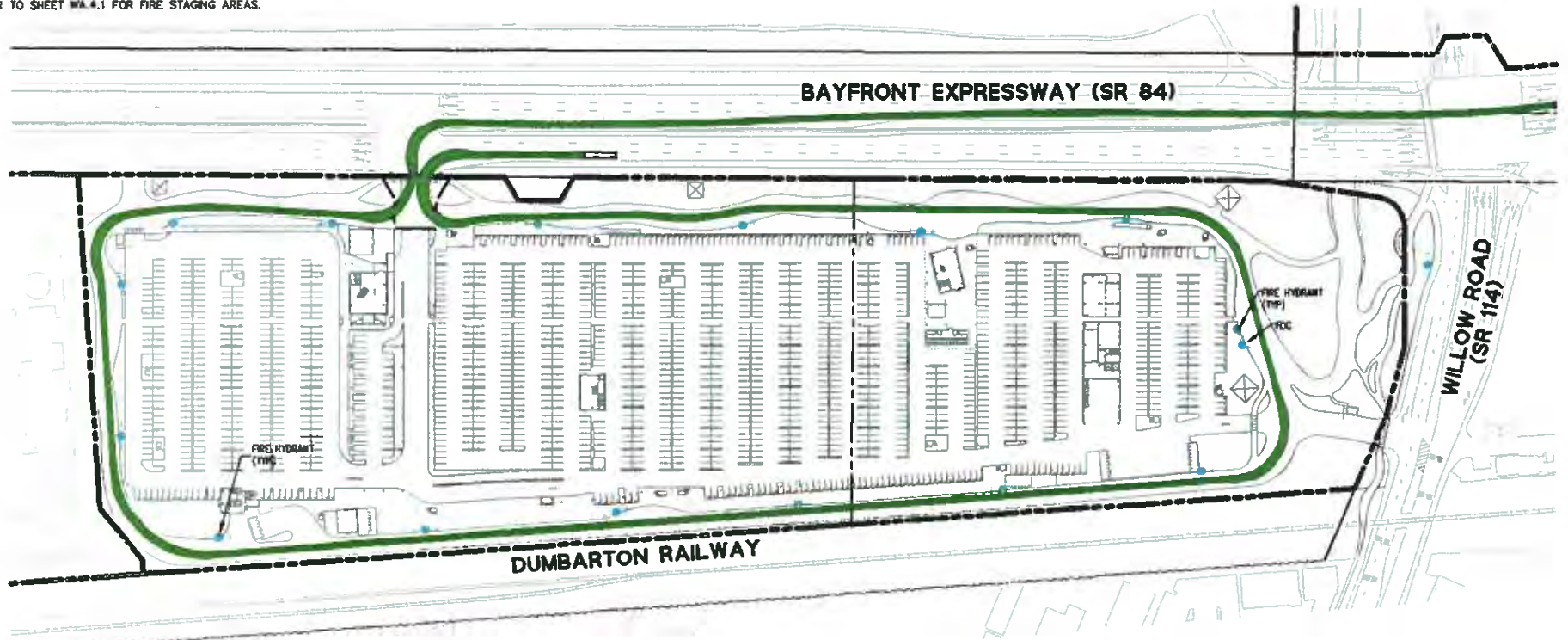


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WA.4.1.3 EMERGENCY VEHICLE TURNING PLAN

SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2013

- NOTES:
 1. REFER SHEET W.5 FOR PROPOSED WATER SYSTEM
 2. REFER TO SHEET WA.4.1 FOR EMERGENCY VEHICLE ACCESS PLAN
 3. REFER TO SHEET WA.4.1 FOR FIRE STAGING AREAS.



Menlo Park feet
 Width : 8.25
 Track : 8.25
 Lock to Lock Time : 6.0
 Steering Angle : 25.4

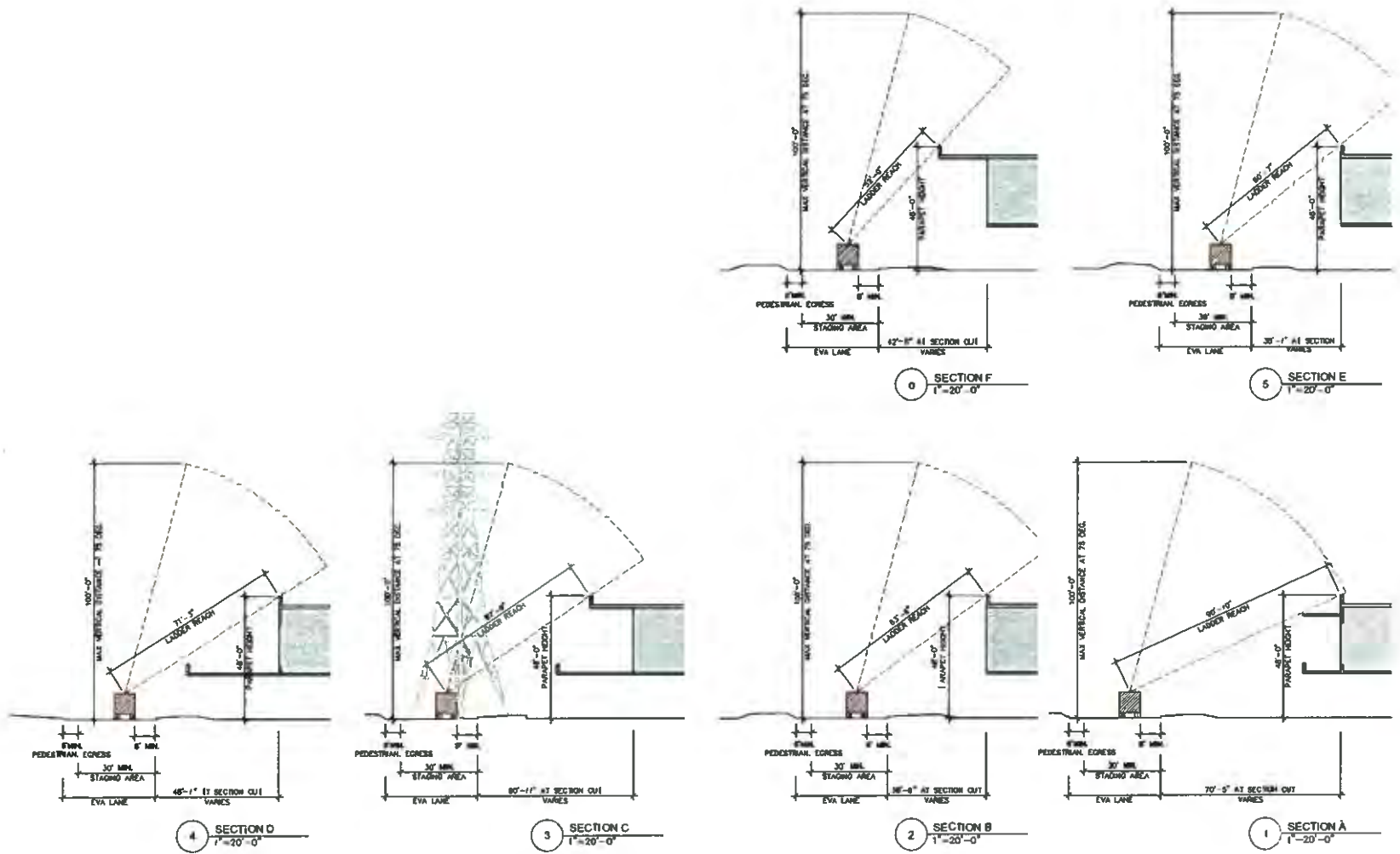
- LEGEND
- PROPERTY LINE
 - EASEMENT
 - BAYFRONT EXPRESSWAY (SR 84) RIGHT-OF-WAY
 - NON-ACCESS AREA (CALTRANS)



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WA.4.1.4 EMERGENCY VEHICLE TURNING PLAN

SCALE: 1"=75'
 (11X17 SCALE IS 1"=150')
 FEBRUARY 1, 2013



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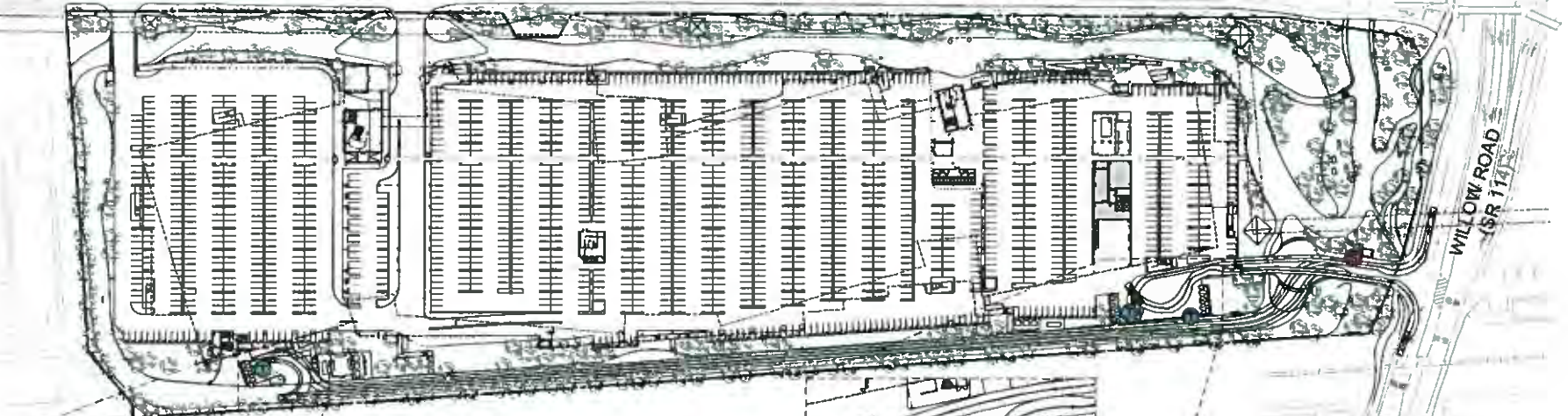
WA.4.1.5; LADDER ACCESS SECTIONS

SCALE: 1"=20'
11X17 SCALE IS 1"=40'

FEBRUARY 1, 2013

BAYFRONT EXPRESSWAY (SR 84)

WILLOW ROAD (SR 117)



FACEBOOK WEST CAMPUS WASTE MANAGEMENT REQUIREMENTS:
 -THREE (3) SIX YARD CONTAINERS FOR TRASH
 -FOUR (4) FOUR YARD CONTAINERS FOR COMPOST
 -FOUR (4) SIX YARD CONTAINERS FOR RECYCLING

- LEGEND**
- SITE SECURITY CONTROL STATION
 - ⊙ BUILDING SECURITY CONTROL STATION
 - TRASH COLLECTION

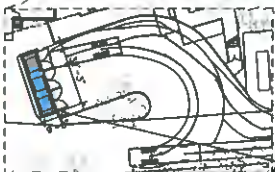
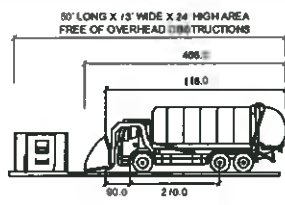


FIGURE 3- TRASH ENCLOSURES TO ACCOMMODATE UP TO (2) - YARD BINS



RECOLOGY GARBAGE TRUCK

	inches (
Width	90.0
Track	90.0
Look to Look Time	8.0
Steering Angle	27.0

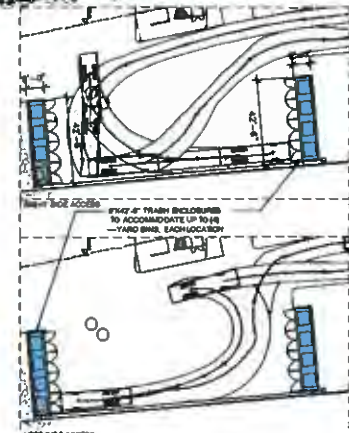


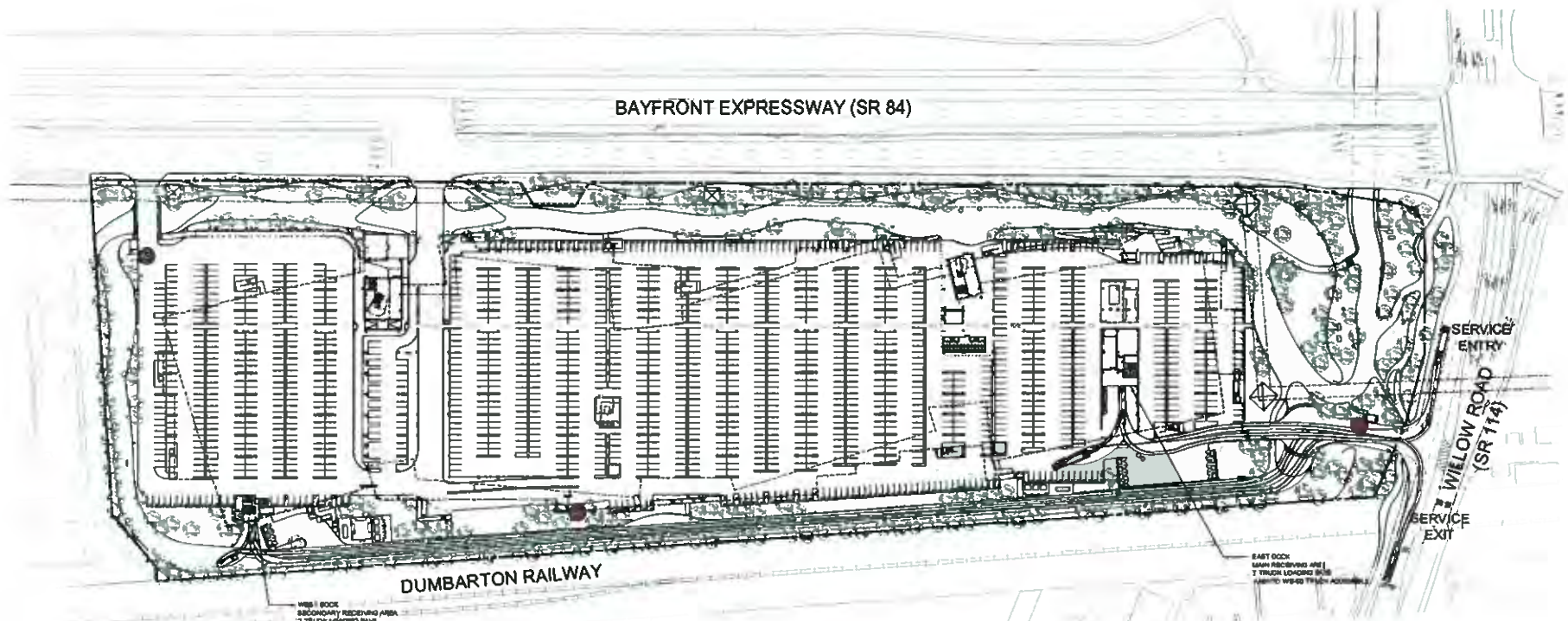
FIGURE 4- TRASH ENCLOSURES TO ACCOMMODATE UP TO (4) - YARD BINS, EACH LOCATION

- NOTE**
1. TRASH ENCLOSURES AND DUMPSTER AREAS SHALL BE COVERED WITH A ROOF STRUCTURE AND PROTECTED FROM ROOF AND SURFACE DRAINAGE.
 2. THE TRASH ENCLOSURE(S) SHALL BE SIZED TO ACCOMMODATE BINS/CONTAINERS FOR GARBAGE, RECYCLABLES AND ORGANICS.
 3. TRASH ENCLOSURES SHALL MEET THE APPROVAL OF RECOLOGY AND THE ENVIRONMENTAL PROGRAMS MANAGER AT THE CITY OF MENLO PARK.

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WA.4.2: TRASH AND RECYCLING COLLECTION PLAN

SCALE: 1"=75'
 1/17 SCALE IS 1"=150'
 FEBRUARY 1, 2013

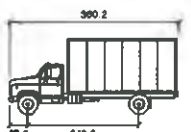


WB-50 DOCK
BOUNDARY RECEIVING AREA
12 TRUCK LOADING BAYS
ALLOWING 100% TRUCK ACCESSIBILITY

EAST DOCK
MAIN RECEIVING AREA 1
TRUCK LOADING BAY
(LIMIT: WB-50 TRUCK ACCESSIBLE)

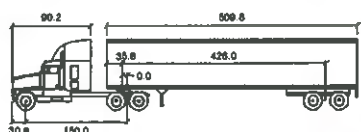
NOTE:

1. WB-50 USED FOR TURN ANALYSIS FOR SERVICE TO EAST DOCK
2. AASHTO SU TRUCK USED FOR TURN ANALYSIS TO WEST DOCK
3. LOADING DOCK LOCATIONS AND CAPACITIES ARE PROVIDED PER FACEBOOK FACILITIES MANAGEMENT PROGRAM REQUIREMENTS FOR THE VOLUME AND NUMBER OF DAILY DELIVERIES ANTICIPATED.



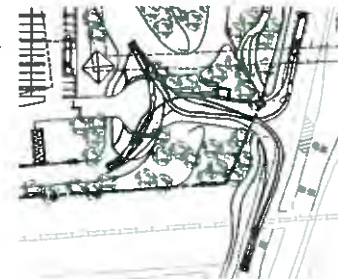
AASHTO SU TRUCK

	Inches
Width	96.1
Fach	96.7
Lock to Lock Time	8.0
Steering Angle	31.8



AASHTO WB-50 TRUCK

	Inches		
Tractor Width	96.7	Lock to Lock Time	8.0
Trailer Width	102.0	Steering Angle	11.1
Tractor Tach	96.7	Articulating Angle	70.0
Trailer Tach	102.0		



**DENIED DELIVERY TURN-AROUND
AASHTO WB-50 WHEEL PATH SHOWN**

LEGEND

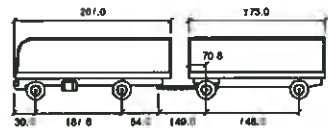
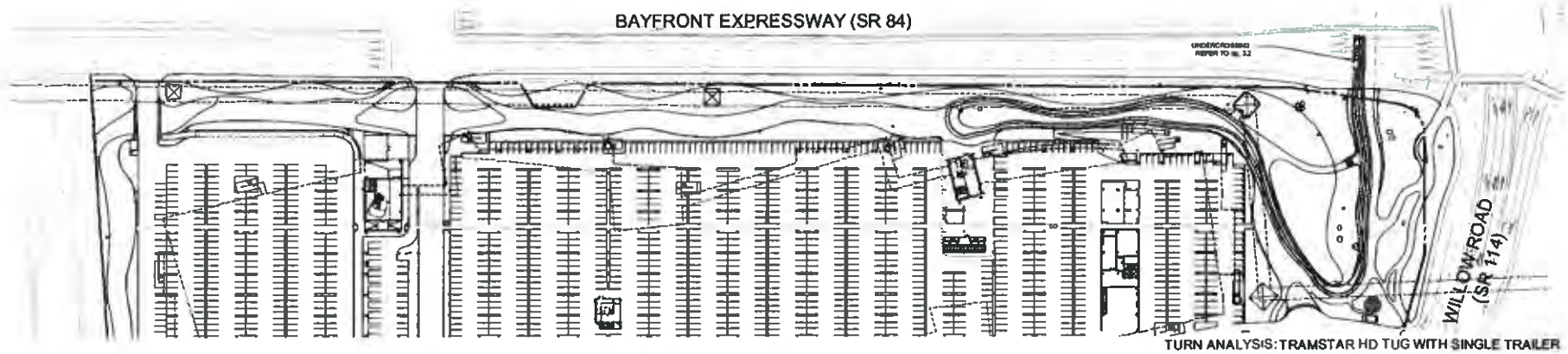
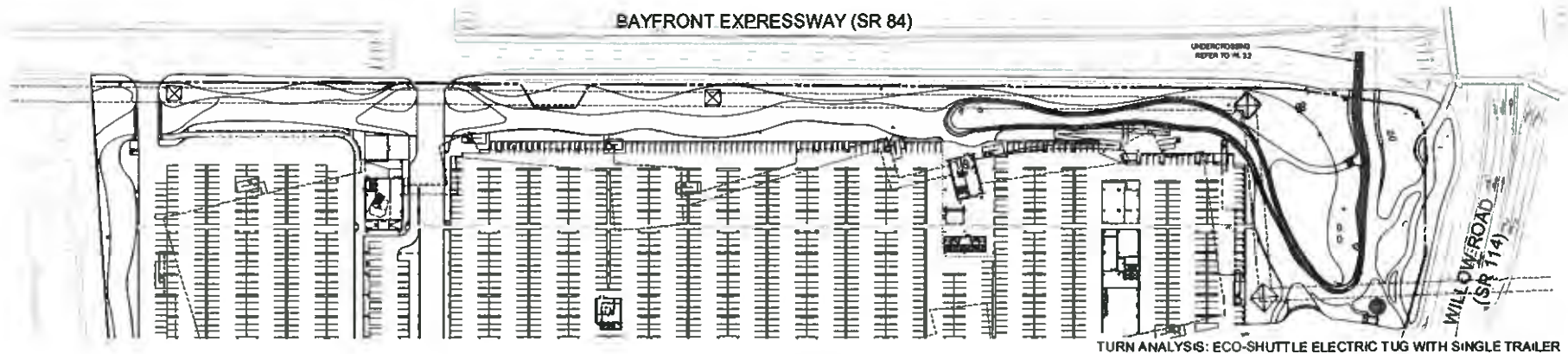
- PROPOSED DELIVERY ACCESS
- SITE SECURITY CONTROL STATION
- BUILDING SECURITY CONTROL STATION



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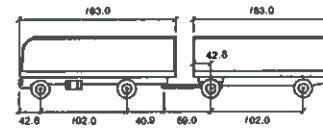
WA,4.2.1: LOADING DOCK DELIVERY PLAN

SCALE: 1"=75'
1X11T SCALE IS 1"=150'
FEBRUARY 1, 2013



TRAMSTAR HD WITH SINGLE TUG




Inches			
First P (4) Width	84.0	Lock to Lock Time	0.0
Trailer Width	84.0	Steering Angle	33.0
First Part Track	84.0	Articulating Angle	70.0
Trailer Track	84.0		



ECO SHUTTLE WITH SINGLE TUG

Inches			
First Part Width	55.0	Lock to Lock Time	0.0
Trailer Width	55.0	Steering Angle	28.8
First Part Track	55.0	Articulating Angle	70.0
Trailer Track	55.0		

LEGEND

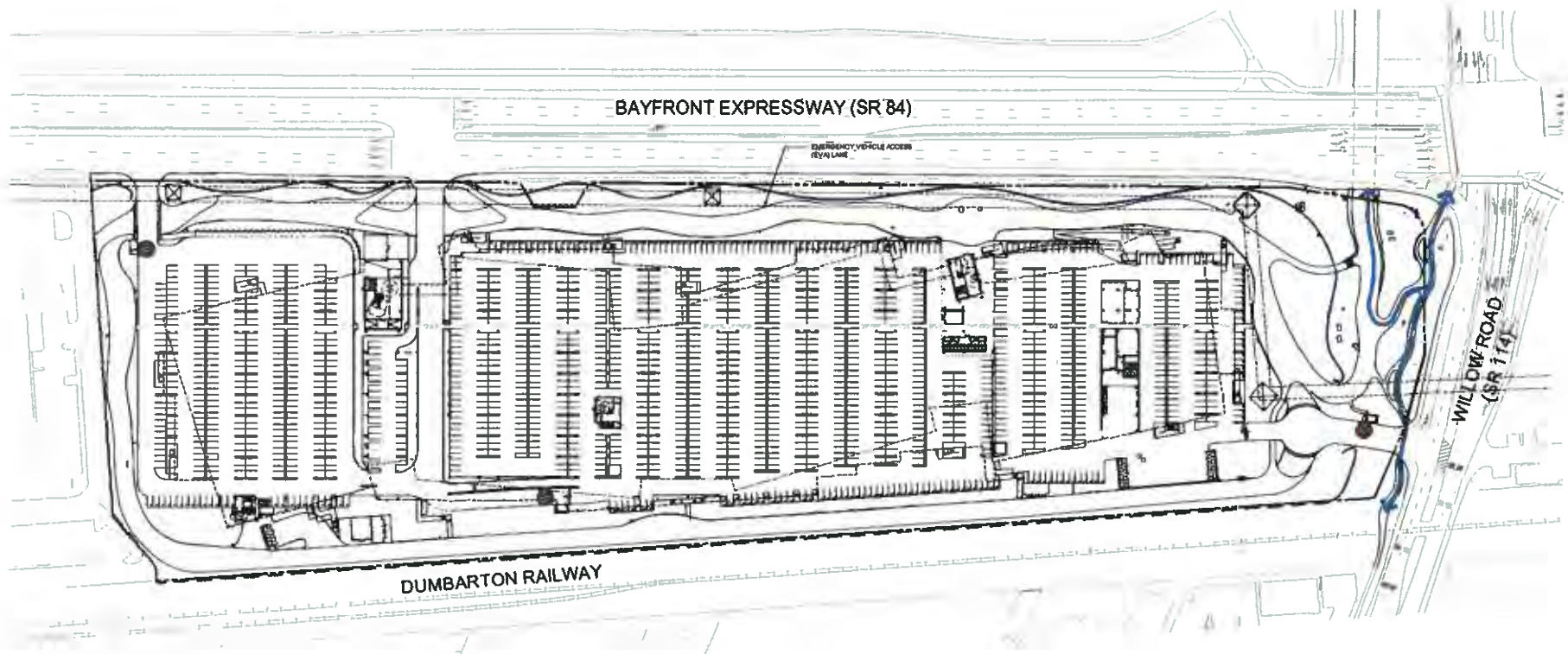
-  PROPOSED SHUTTLE ROUTE
-  SITE SECURITY CONTROL STATION
-  BUILDING SECURITY CONTROL STATION



TURN ANALYSIS DIAGRAMS ARE PROVIDED FOR LARGE AND SMALL CAMPUS SHUTTLE VEHICLE PROFILES. FINAL VEHICLE SELECTION WILL BE MADE AT A LATER STAGE IN THE PROJECT PROCESS.

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WA.4.2.2: CAMPUS SHUTTLE TURNING PLAN
 SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2013



NOTE

- 1 SITE SECURITY CONTROL STATIONS WILL BE STAND-ALONE STRUCTURES TO CONTROL & MONITOR ACCESS TO THE PARKING AREA.
- 2 BUILDING SECURITY CONTROL STATIONS WILL BE INTEGRATED WITHIN THE PROPOSED BUILDING TO CONTROL AND MONITOR ACCESS INTO THE BUILDING.
- 3 SITE AND BUILDING SECURITY CONTROL MEASURES WILL NOT LIMIT OR RESTRICT ACCESS BY EMERGENCY VEHICLES TO THE EVA LANE
- 4 BUILDING SECURITY IS PROVIDED 24/7
- 5 THE CITY AGREED (11/15) THAT THE PUBLIC ACCESS EASEMENT SHOULD BE ADDRESSED AS A CONDITION OF APPROVAL. THE EASEMENT WILL BE DEFINED AND DOCUMENTED AS PART OF THE COMPLETION OF THE REVISED UNDERCROSSING CONSTRUCTION PERMIT DRAWINGS.

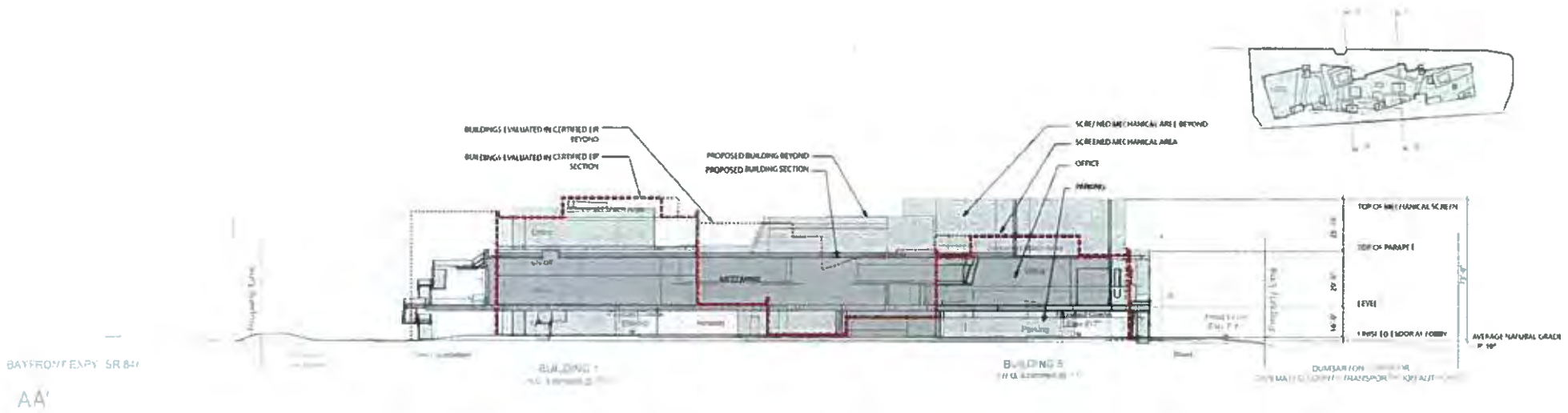
LEGEND

-  NEW FENCE
SEE SHEET WL 2.8
-  EXISTING FENCE TO REMAIN
SEE SHEET WL 2.8
-  PUBLIC ACCESS
-  PARKING ACCESS CONTROL
-  SITE SECURITY CONTROL STATION
-  BUILDING SECURITY CONTROL STATION



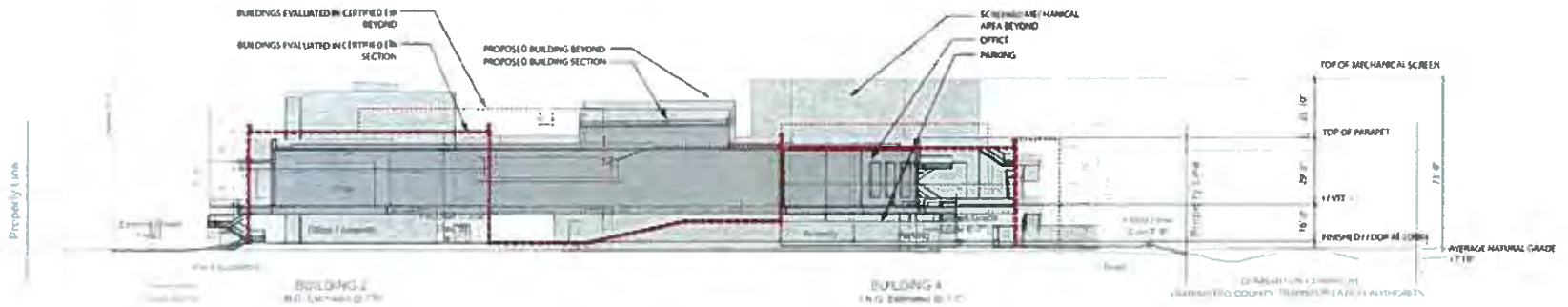
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WA,4,3: SECURITY PLAN
SCALE: 1"=75'
11X17 SCALE IS 1"=150'
FEBRUARY 1, 2013



BAYFRO*TEPY SR B4

AA'

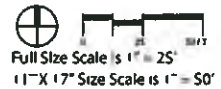


BAYFRO*TEPY (SR B4

BB'

Note:

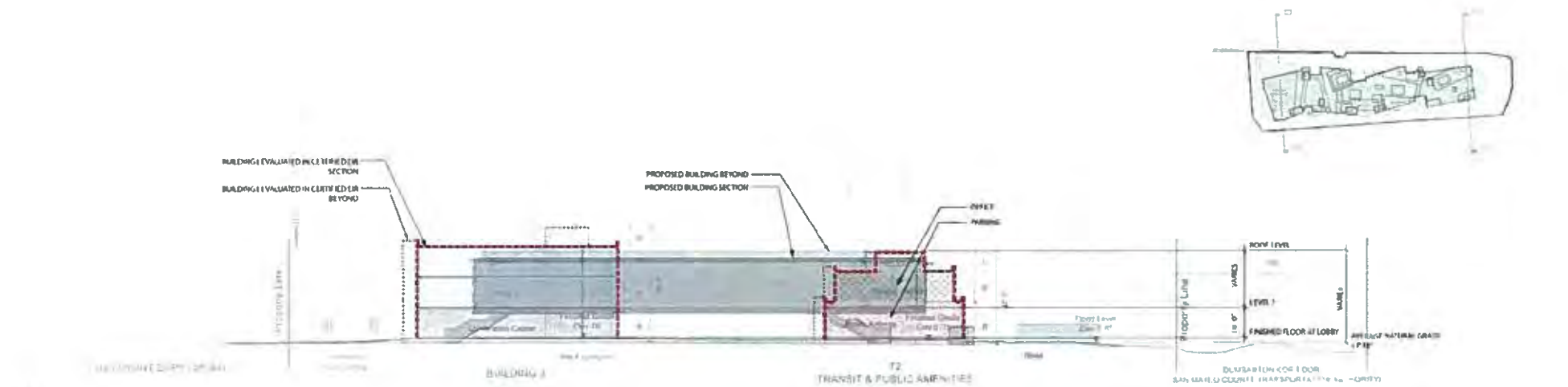
1. N.G = Average Natural Grade
2. Office Use Buildings should be set back a minimum of 20' from the base of the transmission towers.
3. Elevations shown are based on Geodetic Vertical Datum of 1929 (NGVD 29).



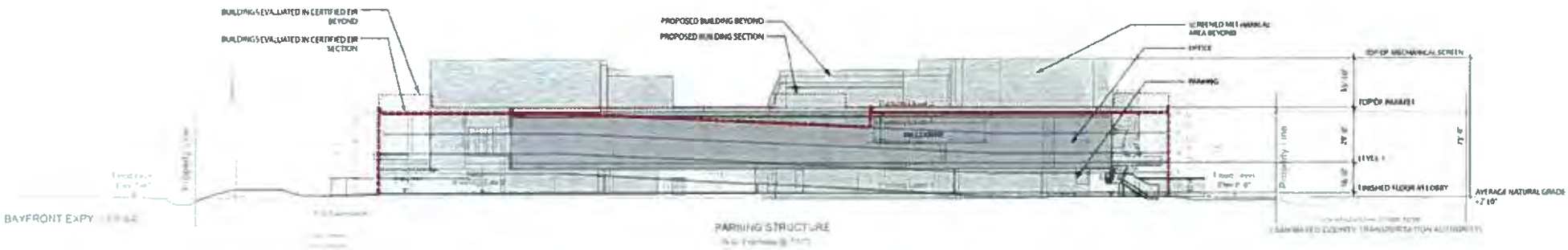
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WA.5.1: SITE SECTION OVERLAY SET 1

SCALE: 1"=25'
 11X17 SCALE IS 1"=50'
 FEBRUARY 1, 2013

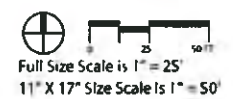


CC



DD'

- Note:
1. N.G = Average Natural Grade
 2. Office Use Buildings should be set back a minimum of 20' from the base of the transmission towers.
 3. Elevations shown are based on Geodetic Vertical Datum of 1929 (NGVD 29).



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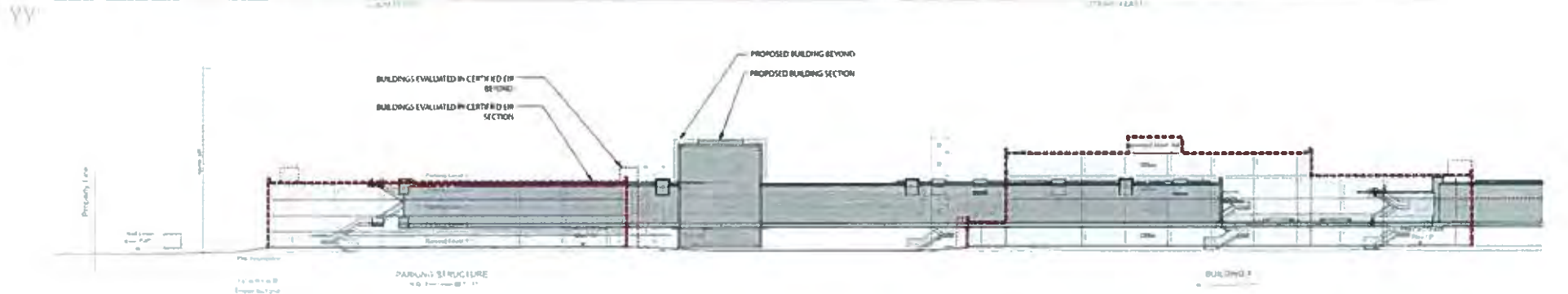
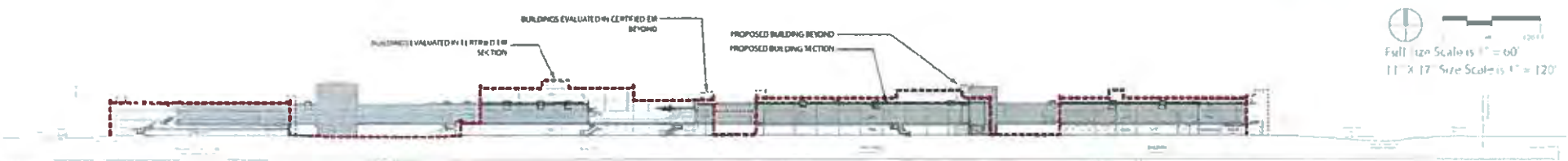
WA.5.2: SITE SECTION OVERLAY SET 2
 SCALE: 1"=25'
 11X17 SCALE IS 1"=50'
 FEBRUARY 1, 2013

Note:

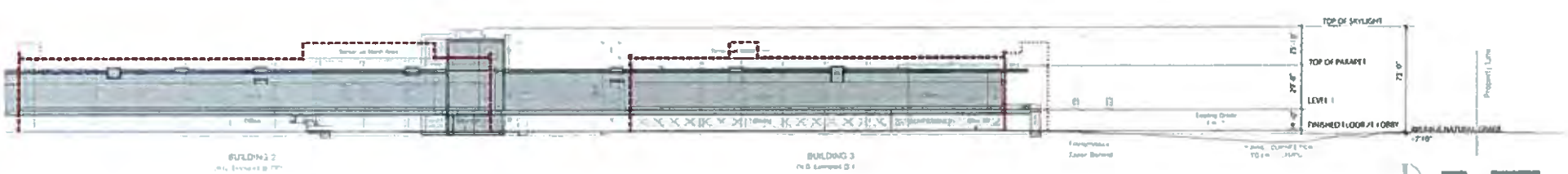
1. N.G = Average Natural Grade
2. Office Use Buildings should be set back a minimum of 20' from the base of the transmission towers
3. Elevations shown are based on Geodetic Vertical Datum of 1929 (NGVD 29)



Full Size Scale is 1" = 60'
11" X 17" Size Scale is 1" = 120'



Zoom in West

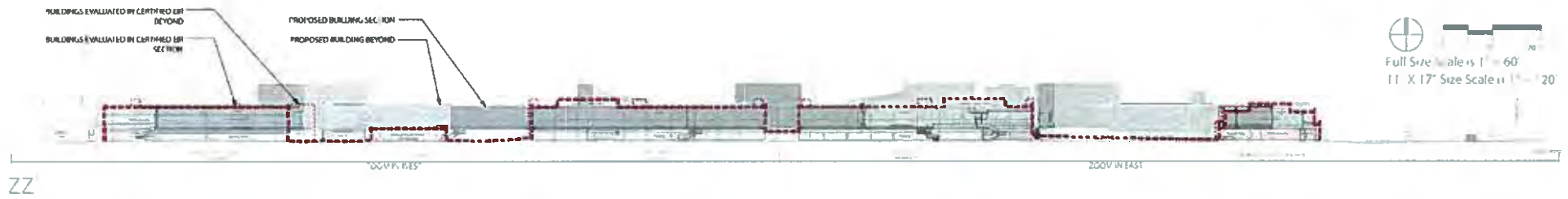


Zoom in East

Full Size Scale is 1" = 30'
11" X 17" Size Scale is 1" = 60'

Note:

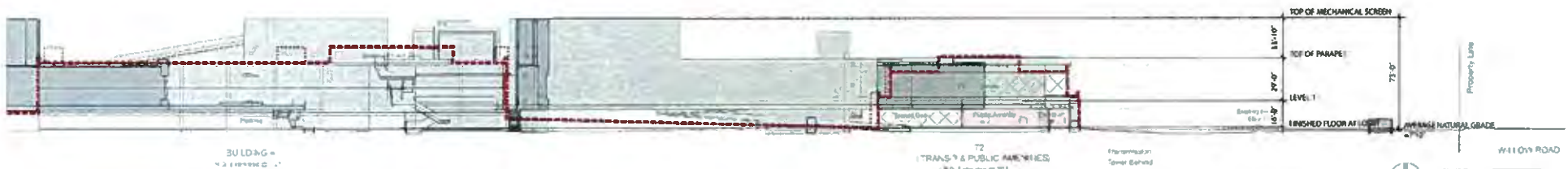
- 1. Office Use Buildings should be set back a minimum of 20' from the base of the transmission towers.
- 2. Elevations shown are based on Geodetic Vertical Datum of 1929 (NGVD 29).



ZZ



Zoom in West



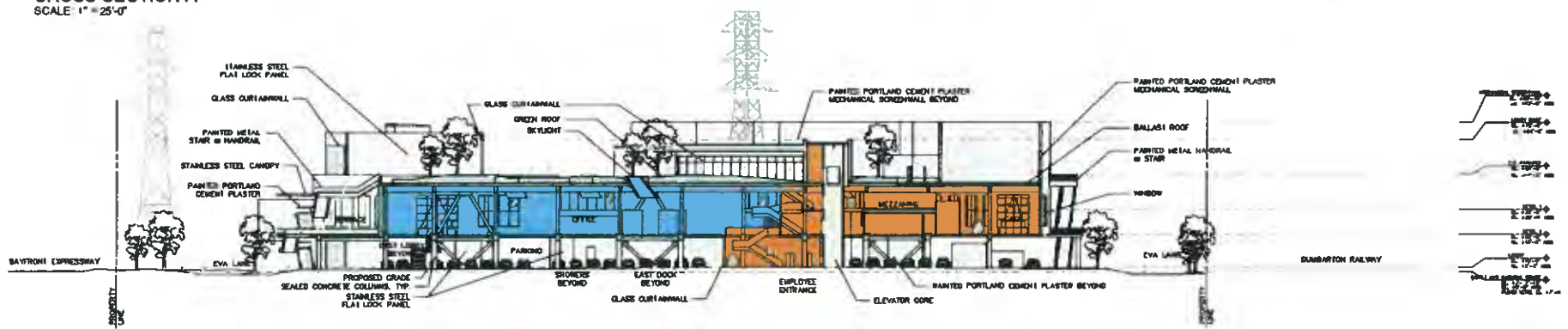
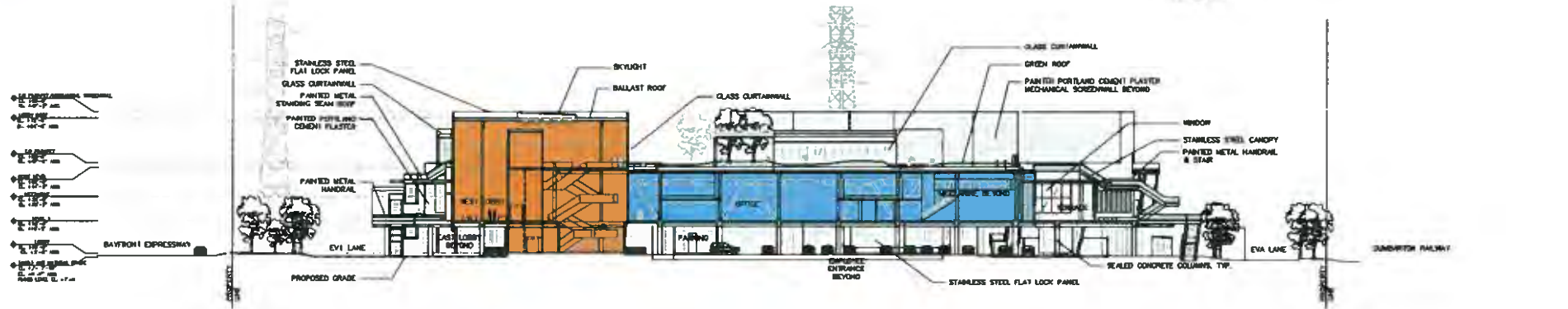
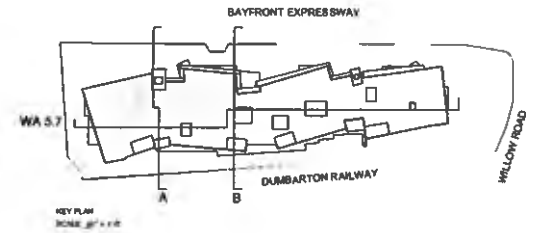
Zoom in East

LEGEND

- OFFICE
- NON OFFICE - AMENITIES/MEETING ROOMS
- EXTERIOR ELEVATION SURFACES BEYOND

NOTES:

1. ANG = AVERAGE NATURAL GRADE
2. AVERAGE NATURAL GRADE ESTIMATED AT +7'-11"
3. ELEVATIONS SHOWN ARE BASED ON GEODETIC VERTICAL DATUM OF 1929 (NGVD 29)



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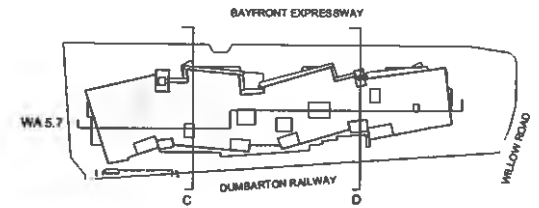
WA.5.5: SITE SECTION
SCALE: 1"=25'
11X17 SCALE IS 1"=50'
FEBRUARY 1, 2013

LEGEND

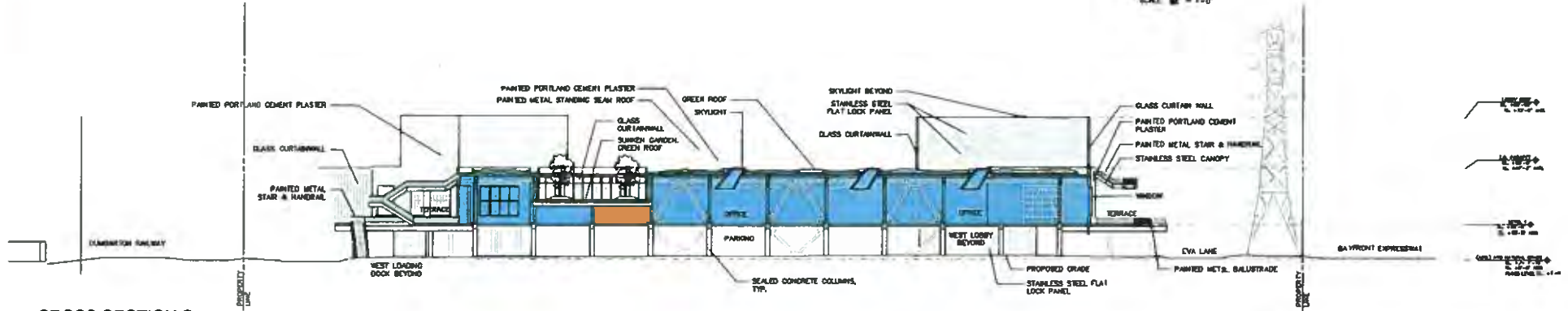
- OFFICE
- NON OFFICE - AMENITIES/MEETING ROOMS
- EXTERIOR ELEVATION SURFACES BEYOND

NOTES:

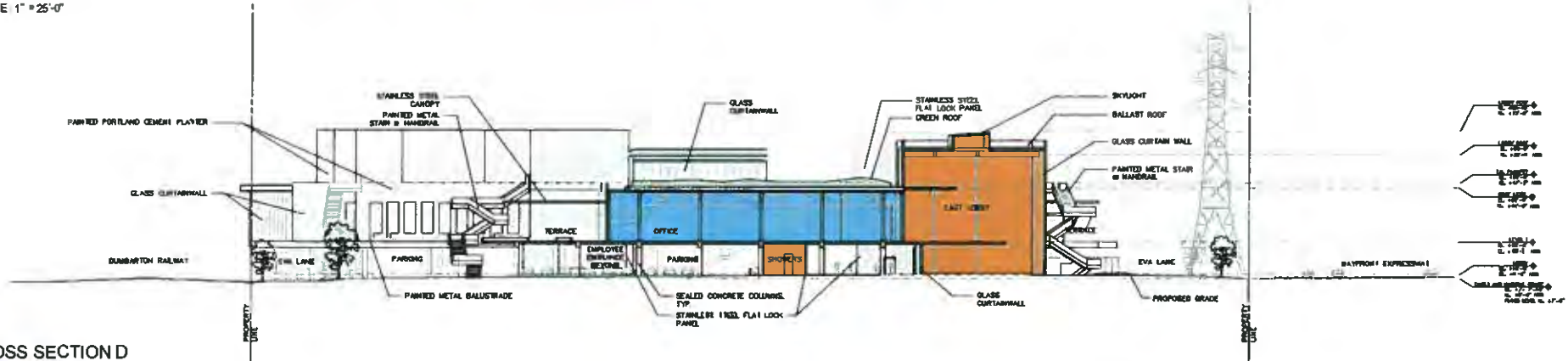
1. ANG = AVERAGE NATURAL GRADE
2. AVERAGE NATURAL GRADE ESTIMATED AT +7'-10"
3. ELEVATIONS SHOWN ARE BASED ON GEODETIC VERTICAL DATUM OF 1929 (NGVD 29).



KEY PLAN
SCALE: 1/8" = 1'-0"



CROSS SECTION C
SCALE: 1" = 25'-0"

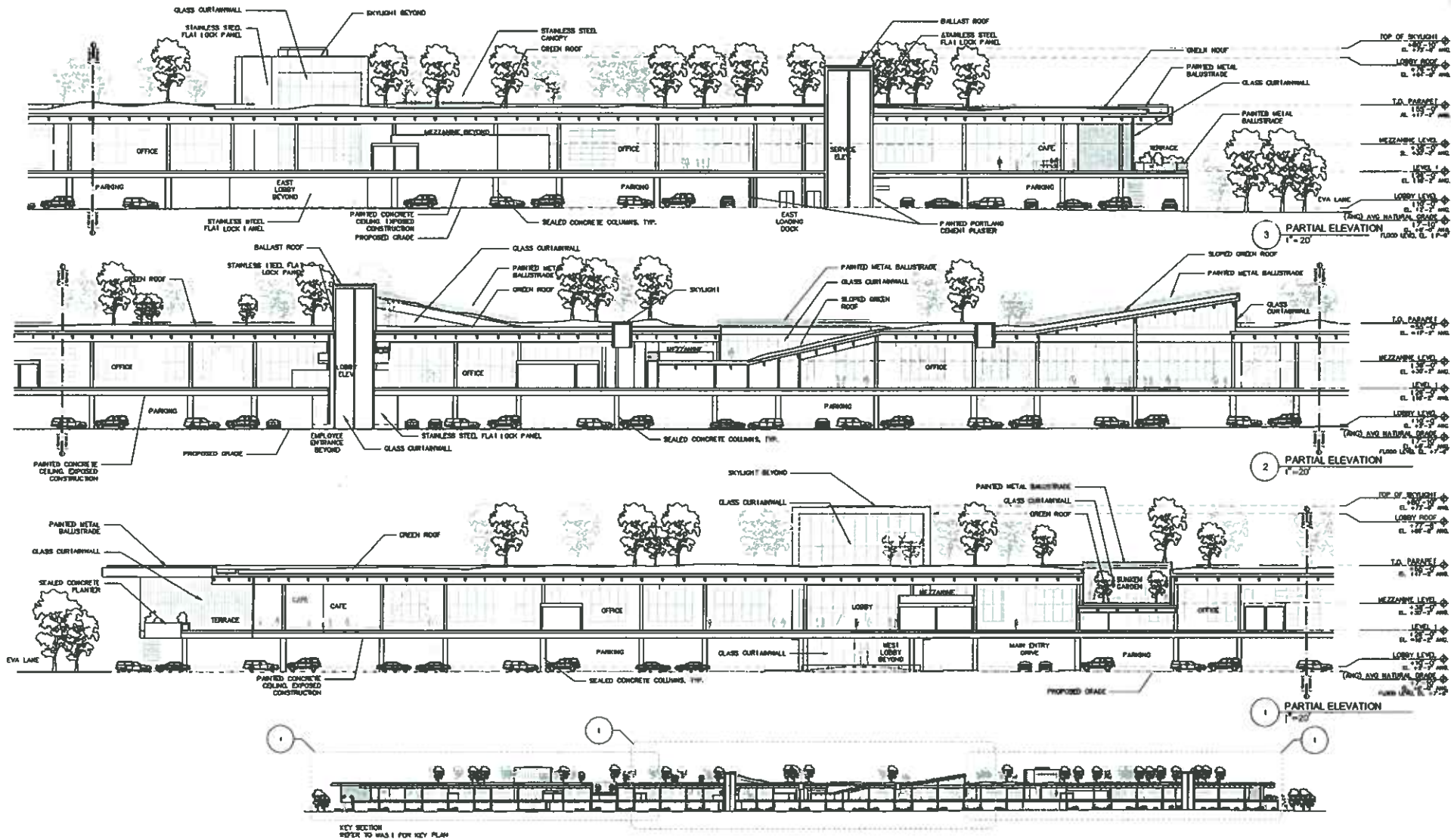


CROSS SECTION D
SCALE: 1" = 25'-0"



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WA.5.6: SITE SECTION
SCALE: 1"=25'
11X17 SCALE IS 1"=25'
FEBRUARY 1, 2013



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WA.5.7: SITE SECTION
 SCALE: 1" = 20'-0"
 (1"X17 SCALE IS 1"=40")
 FEBRUARY 1, 2013



March 20, 9am



June 21, 9am



March 20, 12pm



June 21, 12pm



March 20, 3pm



June 21, 3pm

Spring Equinox (March 20) Shadows

Summer Solstice (June 21) Shadows





September 21 8am



December 22 8am



September 21 12pm



December 22 12pm



September 21 3pm



December 22 3pm

Fall Equinox (September 21) Shadows

Winter Solstice (December 22) Shadows



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WA.6.1: SHADOW STUDY

FEBRUARY 1, 2013





PUBLIC SHORELINE TRAIL FACING SOUTH (VIEWPOINT 1)



PUBLIC SHORELINE TRAIL FACING SOUTH (VIEWPOINT 1)
WITH TEMPORARY EVENT TENT



PUBLIC SHORELINE TRAIL FACING SOUTH (VIEWPOINT 1)



BAYFRONT EXPRESSWAY/BAY TRAIL FACING SOUTHEAST (VIEWPOINT 2)



BAYFRONT EXPRESSWAY/BAY TRAIL FACING SOUTHEAST (VIEWPOINT 2)



BAYFRONT PARK FACING SOUTHEAST (VIEWPOINT 3)



BAYFRONT PARK FACING SOUTHEAST (VIEWPOINT 3)



BAYFRONT EXPRESSWAY/WILLOW ROAD (VIEWPOINT 4)



BAYFRONT EXPRESSWAY/WILLOW ROAD (VIEWPOINT 4)



HOLLYBURNE AVENUE FACING NORTH (VIEWPOINT 5)



EXISTING



PROPOSED

HOLLYBURNE AVENUE FACING NORTH (VIEWPOINT 5)
WITH TEMPORARY EVENT TENT



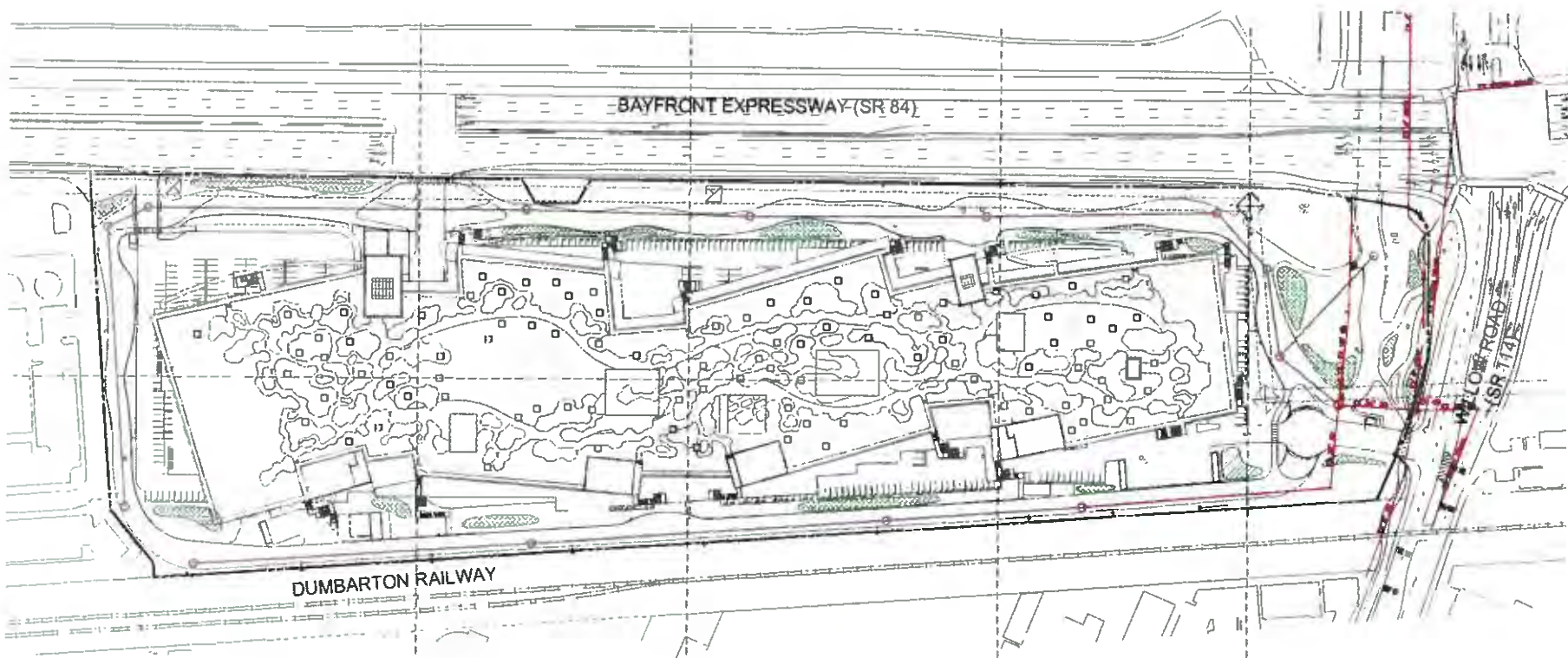
HOLLYBURNE AVENUE FACING NORTH (VIEWPOINT 5)

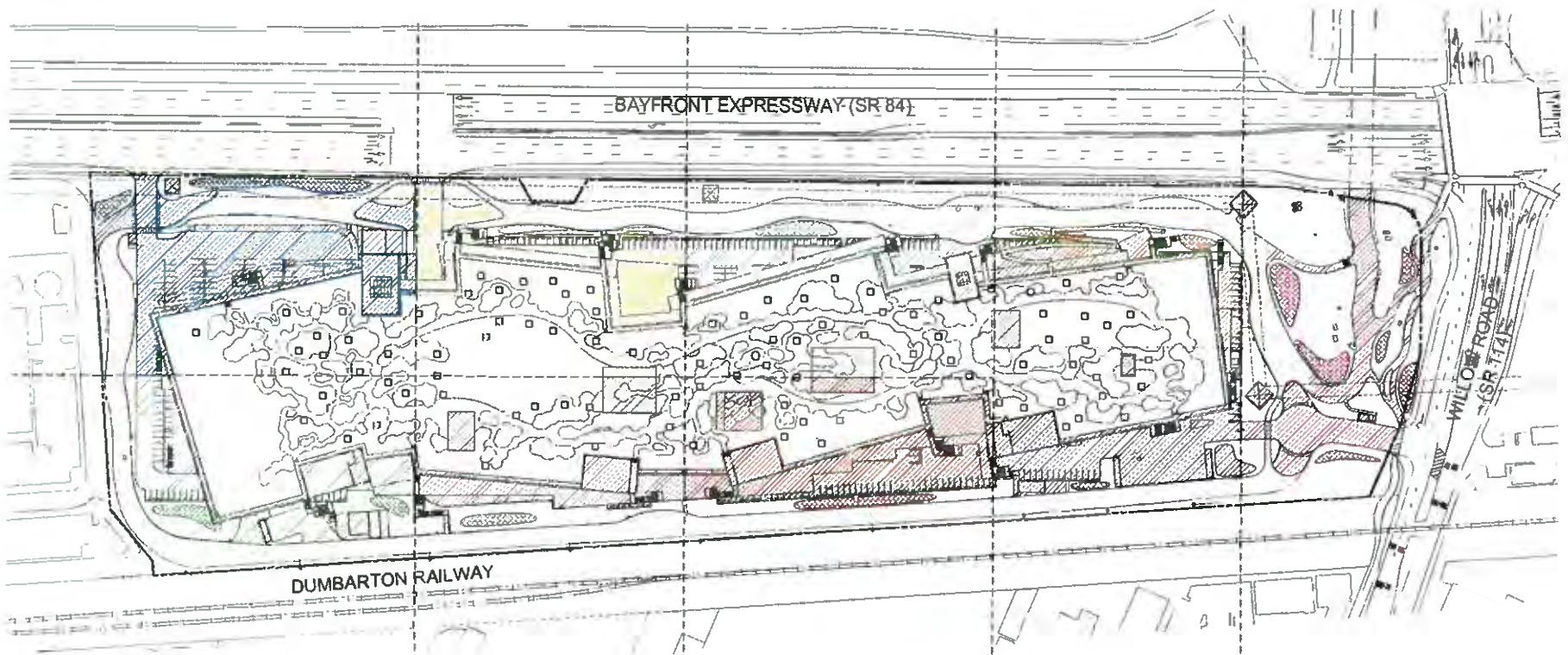


MADERA AVENUE FACING NORTH (VIEWPOINT 6)



MADERA AVENUE FACING NORTH (VIEWPOINT 6)





Catchment Area Identifier

- | | | | | | |
|--|-----|--|-----|--|-----|
| | A-1 | | C-1 | | E-1 |
| | A-2 | | C-2 | | |
| | B-1 | | D-1 | | |
| | B-2 | | D-2 | | |

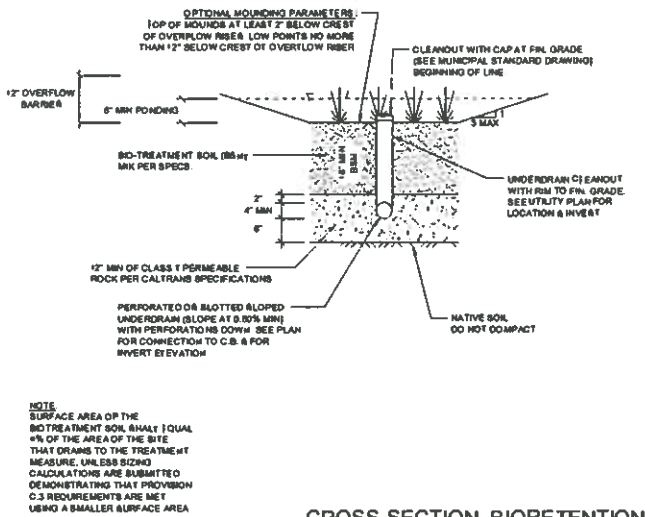
Treatment Area Identifier

- | | | | | | |
|--|-----|--|-----|--|-----|
| | A-1 | | C-1 | | E-1 |
| | A-2 | | C-2 | | |
| | B-1 | | D-1 | | |
| | B-2 | | D-2 | | |

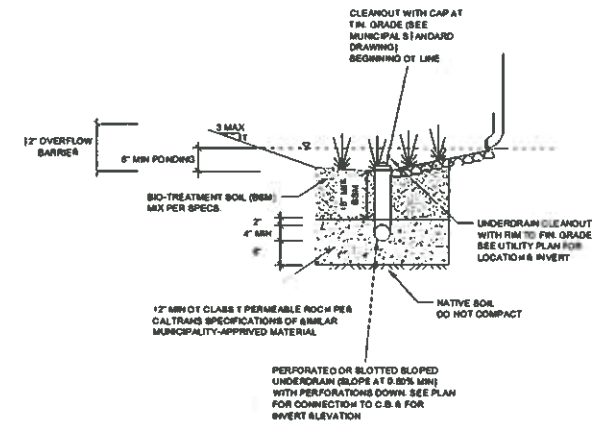
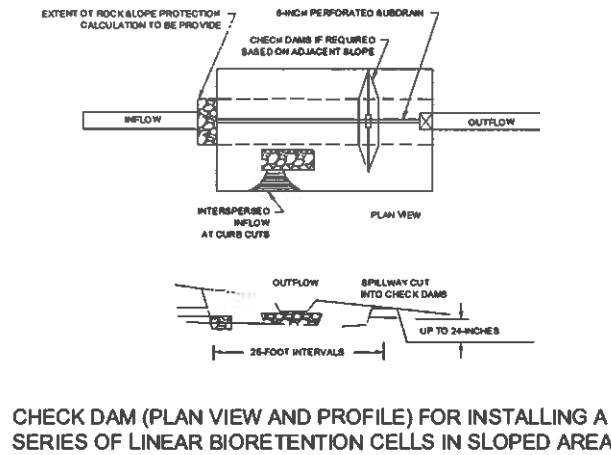
Pervious Pavement

NOTE: Refer to Tables 3 & 4 in Hydrology Report for tabulation of treatment areas.

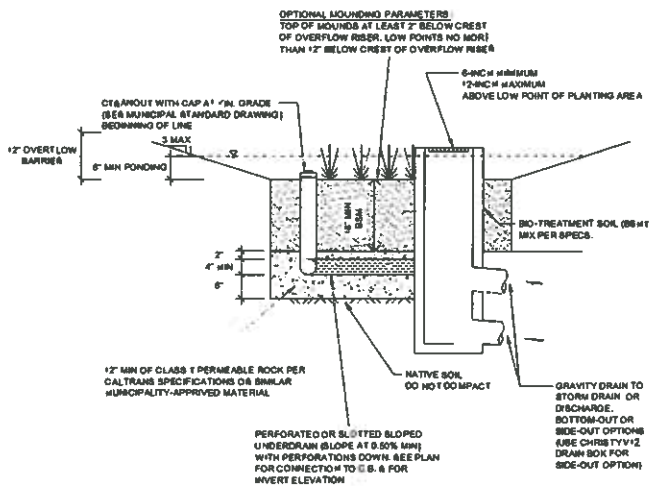




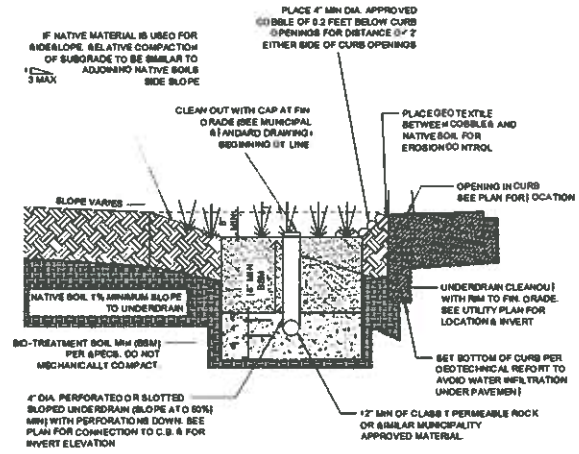
CROSS-SECTION, BIORETENTION



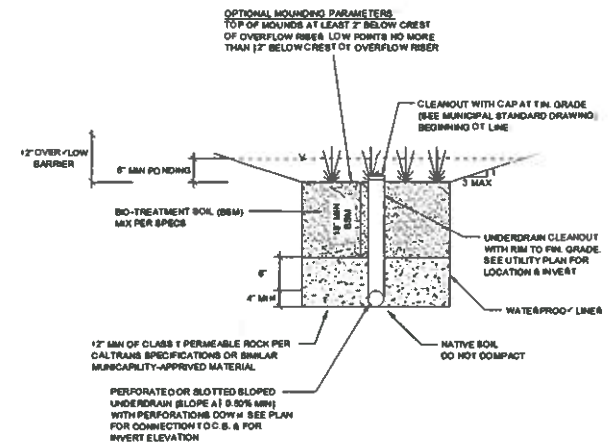
BIORETENTION AREA IN LANDSCAPING TO TREAT RUNOFF FROM RAINWATER LEADERS



CROSS-SECTION, BIORETENTION (SIDE VIEW)



CROSS-SECTION OF BIORETENTION AREA SHOWING INLET FROM PAVEMENT



CROSS-SECTION OF LINED BIORETENTION AREA, FOR LOCATIONS WHERE INFILTRATION IS PRECLUDED

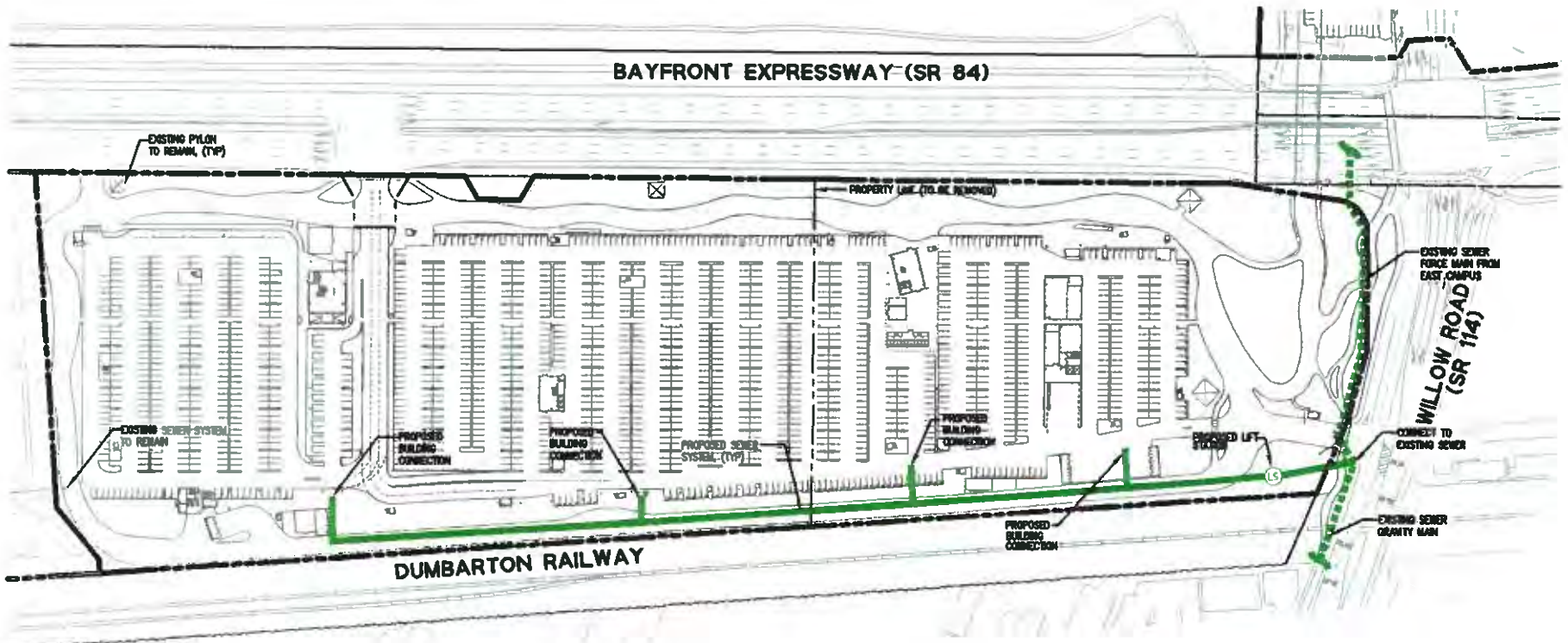


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WI.3.1: TREATMENT AREA SECTION

SCALE: 1"=7'
1/4"=15'
FEBRUARY 1, 2012



LEGEND & ABBREVIATIONS

- PROPOSED SANITARY SEWER
- - - - - EXISTING SEWER FORCE MAIN
- (TYP) TYPICAL
- PROPERTY LINE
- EASEMENT
- BAYFRONT EXPRESSWAY (SR 84) RIGHT-OF-WAY
- NON-ACCESS AREA (CALTRANS)

NOTES

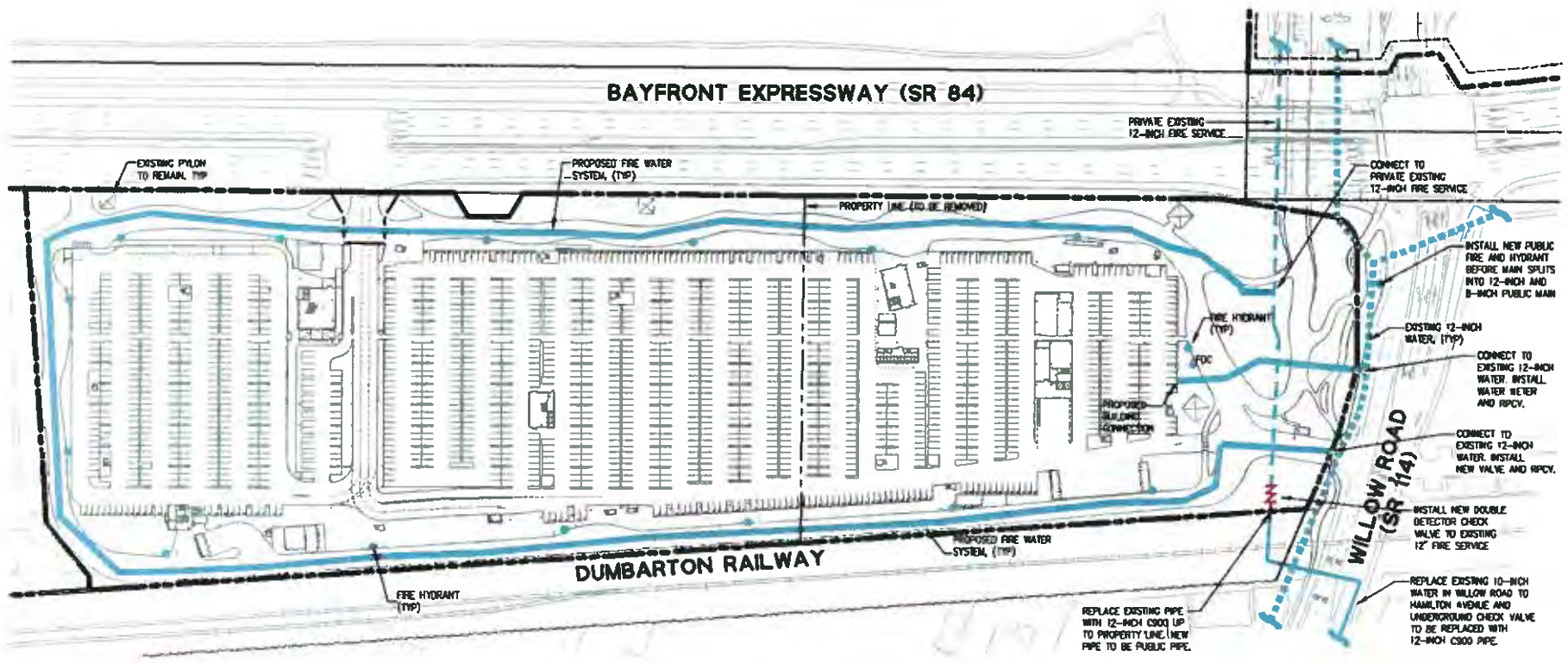
1. UTILITY LAYOUT IS CONCEPTUAL AND INFORMATIVE. UTILITY LAYOUT IS SUBJECT TO CHANGE. FINAL UTILITY ENGINEERING DESIGN WILL BE PERFORMED AT THE TIME OF PROJECT PLAN CONSTRUCTION.
2. SEWER PROVIDER IS WEST BAY SANITARY DISTRICT



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WI.4: PROPOSED SANITARY SEWER SYSTEM

SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2013



LEGEND & ABBREVIATIONS

- NEW FIRE HYDRANT
- NEW FDC
- FDC (TYP) FIRE DEPARTMENT CONNECTION TYPICAL
- EXISTING WATER LINE
- PRIVATE EXISTING 12-INCH FIRE SERVICE
- PROPOSED FIRE WATER LINE
- PROPOSED DOMESTIC WATER LINE
- POTENTIAL SUPPLEMENTAL FIRE WATER LINE
- PROPERTY LINE
- EASEMENT
- BAYFRONT EXPRESSWAY (SR 84) RIGHT-OF-WAY
- NON-ACCESS AREA (CALTRANS)

NOTES

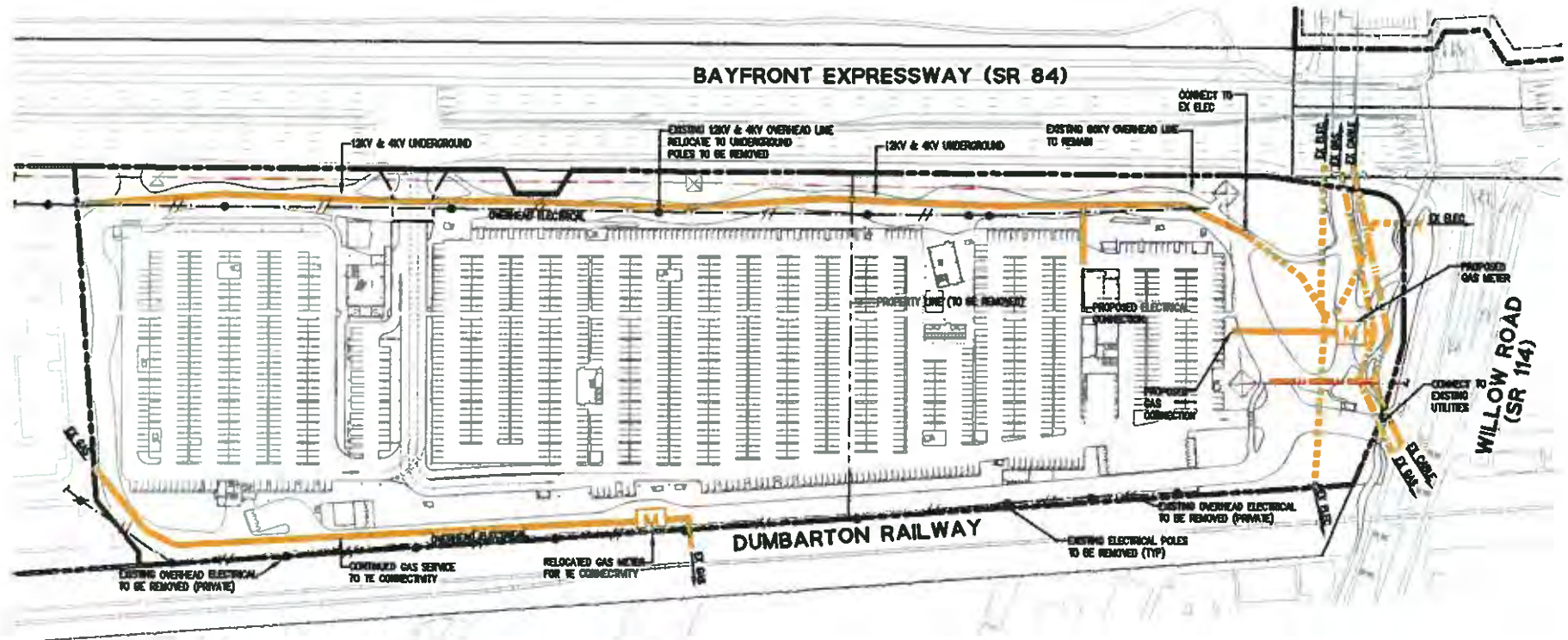
1. IRRIGATION SYSTEM TO BE SEPARATELY METERED.
2. UTILITY LAYOUT IS CONCEPTUAL AND INFORMATIVE. UTILITY LAYOUT IS SUBJECT TO CHANGE. FINAL UTILITY ENGINEERING DESIGN WILL BE PERFORMED AT THE TIME OF PROJECT PLAN CONSTRUCTION.
3. FIRE HYDRANTS ARE SPACED 300 FEET MAXIMUM
4. REDUCED PRESSURE CHECK VALVE (RPCV)



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WI.5: PROPOSED WATER SYSTEM

SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2013



LEGEND & ABBREVIATIONS

- EXISTING GAS LINE
- EXISTING CABLE
- EXISTING ELECTRICAL
- PROPOSED JOINT TRENCH (GAS, CABLE, ELECTRICAL)
- EXISTING 60KV ELECTRICAL OVERHEAD LINE
- EXISTING ELECTRICAL OVERHEAD LINE TO BE REMOVED
- PROPERTY LINE
- EASEMENT
- BAYFRONT EXPRESSWAY (SR 84) RIGHT-OF-WAY NON-ACCESS AREA (CALTRANS)

NOTES

- 1 UTILITY LAYOUT IS CONCEPTUAL AND INFORMATIVE. UTILITY LAYOUT IS SUBJECT TO CHANGE. FINAL UTILITY ENGINEERING DESIGN WILL BE PERFORMED AT THE TIME OF PROJECT PLAN CONSTRUCTION.
2. 12KV & 4KV ON NORTH SIDE OF PROPERTY WILL BE RELOCATED UNDERGROUND.

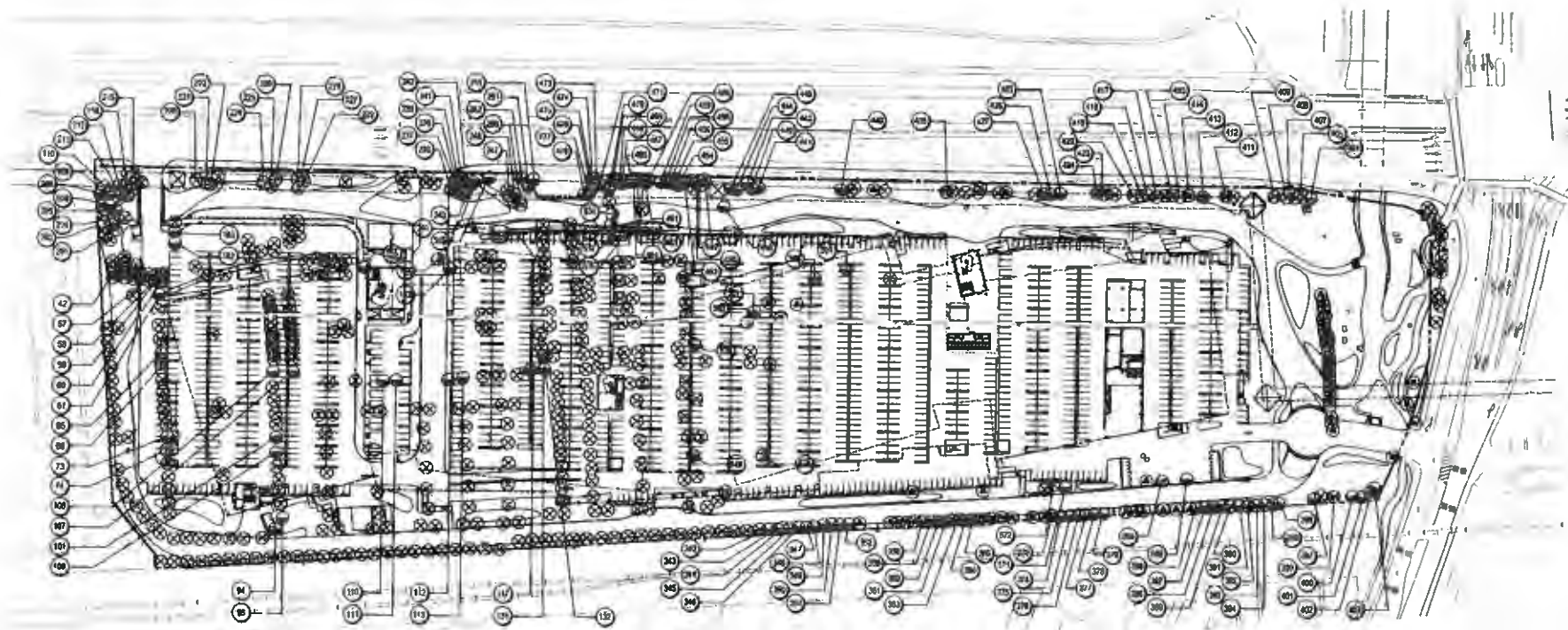


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WI.6: PROPOSED JOINT TRENCH

SCALE: 1"=75'
11X17 SCALE: S 1"=150'
FEBRUARY 1, 2013



WEST CAMPUS PROJECT: HERITAGE TREE REMOVAL AND REPLACEMENT				
REMOVAL TOTALS	SYMBOL	DESCRIPTION	REPLACEMENT VALUE	REPLACEMENT TOTALS
11	(A)	Heritage tree with GOOD health	2:1	22
124	(B)	Heritage tree with FAIR-POOR health	4:1	114
13	(C)	Heritage tree with POOR-DEAD health	1:1	13
176 TOTAL				216 TOTAL

WEST CAMPUS PROJECT: NON-HERITAGE Trees for Removal				
REMOVAL TOTALS	SYMBOL	DESCRIPTION	REPLACEMENT VALUE	REPLACEMENT TOTALS
388 TOTAL	(X)	Non-heritage tree	NA	NA

NOTE: Non-Heritage Trees not tagged on site but are not numbered on this plan.

TOTAL SITE: TREE REMOVAL AND REPLACEMENT SUMMARY (For Reference)			
SYMBOL	DESCRIPTION	REMOVAL TOTALS	REPLACEMENT TOTALS
UNDERCROSSING TREE REMOVAL AND REPLACEMENT *Trees Previously Removed with Permit			
(A)	Heritage Trees	1	11
(X)	Non-Heritage Trees	12	NA
SITE REMEDIATION TREE REMOVAL AND REPLACEMENT *Trees Previously Removed with Permit			
(A)	Heritage Trees	01	00
(X)	Non-Heritage Trees	20	NA
WEST CAMPUS TREE REMOVAL AND REPLACEMENT			
	Heritage Trees	116	216
	Non-Heritage Trees	388	NA
	Total Tree Removal & Replacement	624 TOTAL	216 TOTAL

NUMBER OF NEW TREES (SEE SHEETS WK 2.1, 2.2, 2.3)	
PROJECT AREA	NUMBER OF TREES
GROUND LEVEL TREES	332
TERRACE LEVEL (POTENTIAL)	26
ROOF LEVEL (POTENTIAL)	205
TOTAL	562

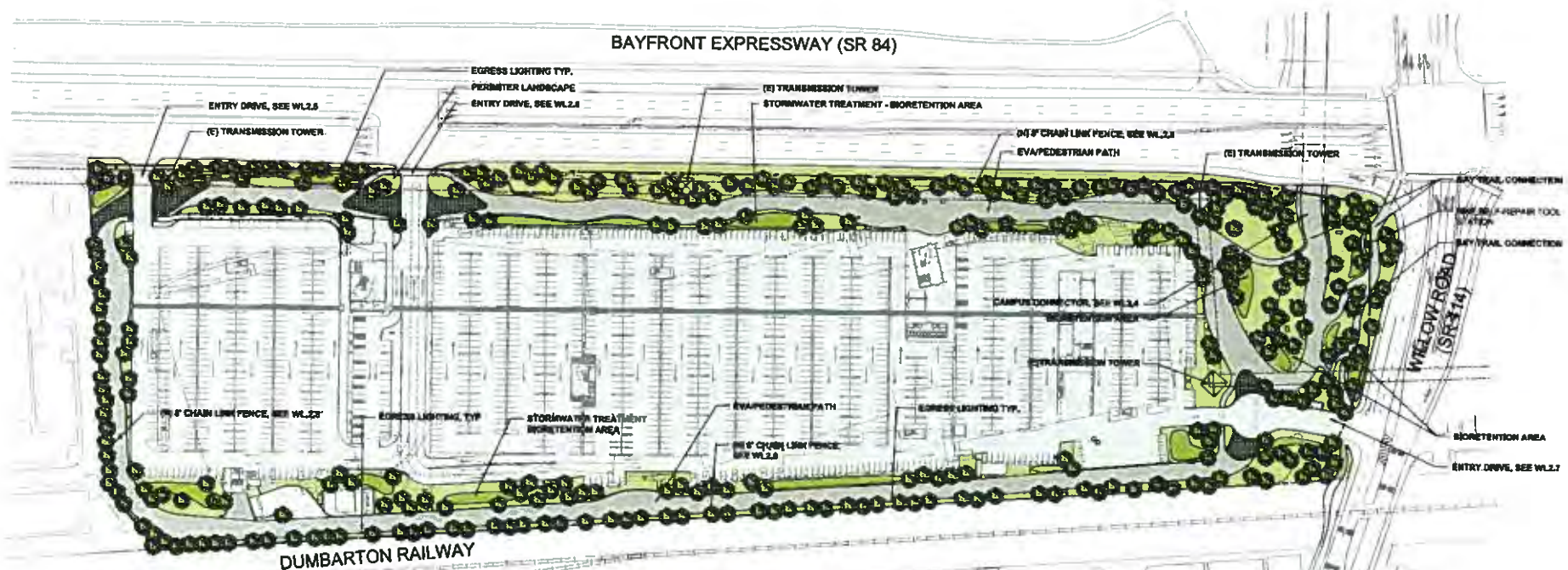
NOTES:
 The total number of new Ground Level trees is inclusive of the Undercrossing and Site Remediation tree replacement requirement.
 2,48 trees, including trees required for Heritage tree Replacement, shall be 24" bar minimum.



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WL.1: TREE DISPOSITION PLAN
 SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2012

BAYFRONT EXPRESSWAY (SR 84)



LEGEND

- PERIMETER LANDSCAPE: A mix of water efficient native and adapted groundcovers, perennials and shrubs planted upon underlying topography and bioretention areas. The mix will be predominantly evergreen and naturalistic in character.
- STORMWATER TREATMENT-BIORETENTION AREA: A mix of native riparian and adapted species selected for bioretention and soil moisture levels including extended inundation and low irrigation use during the dry season.
- PROPOSED TREE: TOTAL QTY. 332
TOTAL TREE REPLACEMENT REQUIREMENT = 315 TREES. REFER TO WL-1 FOR TREE DISPOSITION PLAN.
MINIMUM SIZE: 2" BOX
- FIRELANE/PEDESTRIAN PATH: Pervious Concrete
- CAMPUS CONNECTOR AND PEDESTRIAN PATH PAVING: Pervious Concrete
- PARKING LOT & ENTRY DRIVES: Asphalt Concrete
- COBBLE PAVING
- EGRESS LIGHTING: PEDESTRIAN POLE LIGHT- PEDESTRIAN EGRESS LIGHTING SHALL BE PROVIDED 1 FROM BLDG. EXITS TO THE PUBLIC WAY AT WILLOW RD AND THE TUNNEL UNDERCROSSING TO E. CAMPUS. EGRESS SHALL MEET CBC AND FIRE CODE REQUIREMENTS
- BIKE SELF-REPAIR TOOL STATION

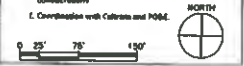
PRELIMINARY PLANT LIST

TREES	SHRUBS	GROUNDCOVERS - GRASSES
SCIENTIFIC NAME	COMMON NAME	SCIENTIFIC NAME
ACACIA CALIFORNICA	CALIFORNIA BUCKEYE	CALIFORNIA SAGEBRUSH
CHALMERA DORRISIANA	HOVEA BRB-OAK	COYOTE BUSH
ORPHEUS SPINOSA	SPICED CEDAR	CALIFORNIA LEAC
CERES CALIFORNICA	WINTER REDWOOD	CALIFORNIA ELAC
FRAXINUS VELUTINA	LANE TEX ASP	BLUE YELD RYE
MELALEUCA QUINCQUEMENA	CAJUPUT TREE	CALIFORNIA BUCKWHEAT
PNIS COCTORTA	BEACH PINE	WILLOW BUSH LUPINE
POPULUS PRINCEPS	PREMIER POPLAR	STONEY MOUNTAIN FLOWER
QUERCUS AGROPOLIA	COAST LINE OAK	COFFEENUT
QUERCUS DOUGLASSII	BLUE OAK	LEMONBERRY
QUERCUS VIRGINICA	VIRGINIA LIVE OAK	BLACK SAGE
		ERIGONUM GLAUCUM
		SCHISCHOLIA CALIFORNICA
		HORDEUM BRACHYANTHRUM
		FEETUCA FLURA
		LEYNIS TRITICOIDES
		LEPA FERRARIA REGINA
		SEYFRIDIUM BELLUM
		STIPA PULCHRA
		ZAMOVIERIA CALIFORNICA

ACCESSIBILITY

ALL PEDESTRIAN PATHS AND EGRESS ROUTES SHALL MEET CBC TITLE 24 ADA ACCESSIBILITY REQUIREMENTS

- PLANT SELECTION NOTES
- 1. General design intent: Provide a densely planted and attractive perimeter landscape surrounding and providing shade on the building. Provide shade, wind, and sound buffer along the Bayfront Expressway. Create a recreational grove and garden setting on the east and corner of the site.
 - 2. Final plant selection and layout shall be refined based on the following selection criteria:
 - Site and Microclimate Suitability
 - Soil and Wind Tolerance
 - Water Footprint: anticipate California water shortages
 - Aesthetic Quality
 - Ecological Value/Health and environmental considerations
 - Coordination with Caltrans and PG&E



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WL.2.1: SCHEMATIC LANDSCAPE GROUND PLAN

SCALE: 1"=75'
11X17 SCALE IS 1"=150'
FEBRUARY 1, 2013

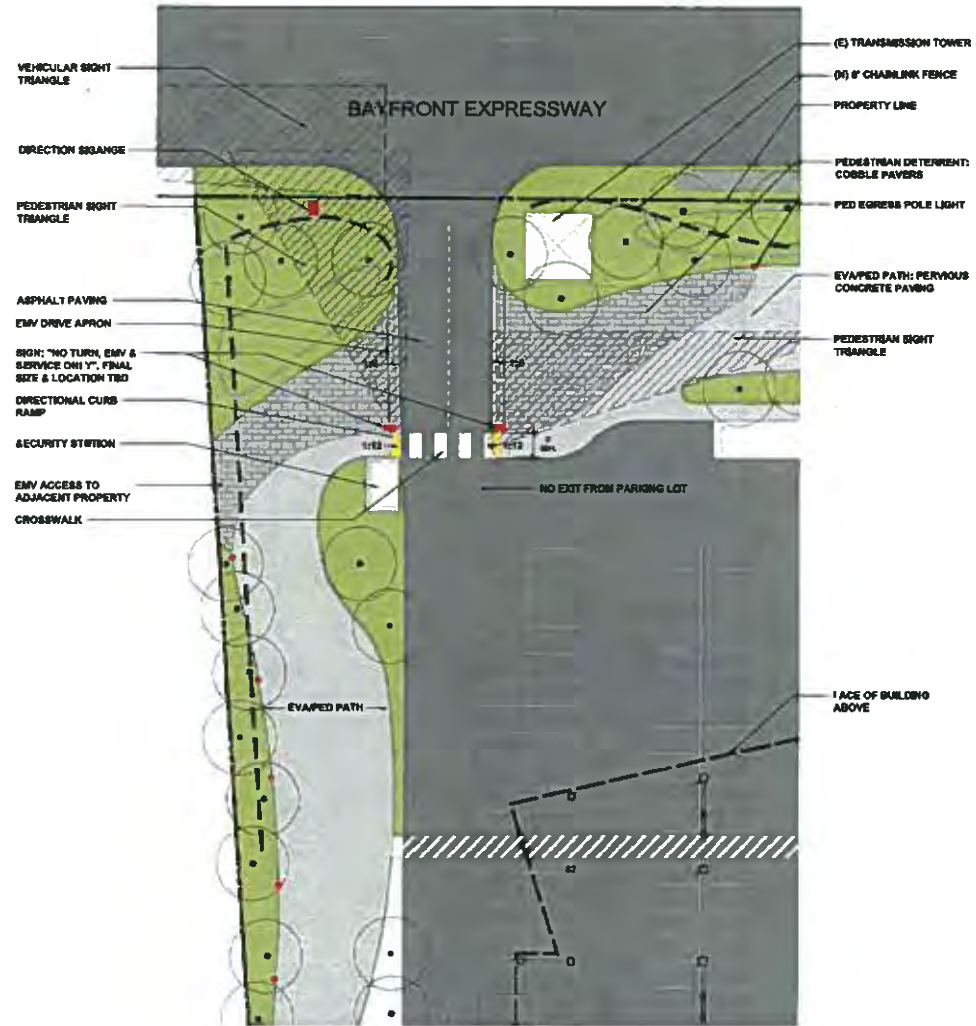


PRELIMINARY PLANT LIST

LEGEND		TREES				SHRUBS		GROUNDCOVERS - GRASSES		PLANT SELECTION NOTES
Symbol	Description	BOTANICAL NAME	COMMON NAME	BOTANICAL NAME	COMMON NAME	BOTANICAL NAME	COMMON NAME	BOTANICAL NAME	COMMON NAME	
[Line]	WALKING PATH: Stabilized Crushed Stone	NEROLIA CALIFORNICA	CALIFORNIA BUCKEYE	ARCTOSTAPHYLOS SP.	SMOKED	UNGERMANN CALICUROS	SEASIDE GRASS	UNGERMANN CALICUROS	SEASIDE GRASS	<p>PLANT SELECTION NOTES</p> <p>1. General Design Intent: Provide a densely planted and extensive green roof landscape surrounding and protecting roofs for the building. Create a harmonious and ecologically integrated landscape and link the ground level landscape to the roof.</p> <p>2. Plant (tree, shrub, and herb) shall be selected based on the following selection criteria:</p> <ul style="list-style-type: none"> a. Native and Horticultural Suitability b. Salt and Wind Tolerant c. Water Efficient Landscape Ordinance requirements d. Aesthetic Quality e. Ecological Value/Function and Environmental Considerations, including adjacent soil the habitat and riparian considerations <p>3. Plant materials with Fullsun and FEMA</p> <p>4. NCR 91</p>
[Line]	SEATING AREAS: Wood and Stone with Benches	QUERCUS CALIFORNICA	WESTERN REDWOOD	ARTESUNIA CALIFORNICA	CALIFORNIA SAGE	ROSEMOULDER CALIFORNICA	CALIFORNIA POPPY	ROSEMOULDER CALIFORNICA	CALIFORNIA POPPY	
[Green Box]	GREEN ROOF- LAWN AREA: Drought-tolerant, low water use, and low-mow lawn.	FRAXINUS VELUTINA	FAN-LEAF ASH	SACCHARIS FILIFLORA 'SERRAVALLO CARPET'	CULFUTE BUSH	HOPESTEM BRACHYANTHERUS	GEORGINA SAGELEY	HOPESTEM BRACHYANTHERUS	GEORGINA SAGELEY	
[Light Green Box]	GREEN ROOF GARDEN AREA: Low water use native adapted shrubs, perennials and groundcovers suitable for intensive green roof applications.	JACARANDA GIBBERIFOLIA	JACARANDA	CELANOTHUS PHYTOLABRIS	CALIFORNIA SAGE	FRAXINUS	FRAXINUS	FRAXINUS	FRAXINUS	
[Medium Green Box]	GREEN ROOF MEADOW AREA: Low water use native adapted grasses and perennials suitable for intensive green roof applications.	MELALEUCA QUINCLENARIA	CAMPUT TREE	LUPINUS ALBIFLORUS	CALIFORNIA SAGE	LEPISODERMIS PERENNIS	CRESPING WILD RYE	LEPISODERMIS PERENNIS	CRESPING WILD RYE	
[Dark Green Box]	TREES: Total Qty. on Roof 205 MINIMUM SIZE: 24" BOX	PIRUS CONFORTA	BEACH PINE	LUPINUS BICOLOR	20 LIP RUSH LUPIN	SEPTENTRIONAL BELLUM	DEER GRASS	LUPINUS	DEER GRASS	
[Tree Symbol]		PESTALO O-GRASS	CHEESE PEACHES	VERBENA LINC OAK	STROYI MONKEY FLOWER	GIFFY PALM	BLISS-EYE GRASS	VERBENA LINC OAK	BLISS-EYE GRASS	
		POPULUS FRAXINIFOLIA	FRAXINUS POPULAR	VERBENA LINC OAK	COFFEEBERRY	ZINCHBERGIA CALIFORNICA	PAPPUS PALMUS GRASS	VERBENA LINC OAK	PAPPUS PALMUS GRASS	
		QUERCUS ROBINSONIA	COAST LIVE OAK	VERBENA LINC OAK	LABONBERRY	ZINCHBERGIA CALIFORNICA	CALIFORNIA GLENNER	VERBENA LINC OAK	CALIFORNIA GLENNER	
		QUERCUS DOUGLASSII	BLUE OAK	VERBENA LINC OAK	BLACK SAGE	DRUMF TALL FESCUE BOD	LAWN	VERBENA LINC OAK	LAWN	
		QUERCUS VIRGINIANA	VERBENA LINC OAK	VERBENA LINC OAK	BLACK SAGE			VERBENA LINC OAK		
		ZELKOVIA SEROTINA	ZELKOVIA							
NOTES:		<p>ACCESSIBILITY</p> <p>ALL PEDESTRIAN PATHS AND EGRESS ROUTES SHALL MEET CBC TITLE 24 ADA ACCESSIBILITY REQUIREMENTS</p>								

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WL.2.3: SCHEMATIC LANDSCAPE ROOF PLAN
 SCALE: 1"=60'
 11X17 SCALE IS 1"=120'
 FEBRUARY 1, 2012



ENLARGEMENT PLAN A

NOTES:

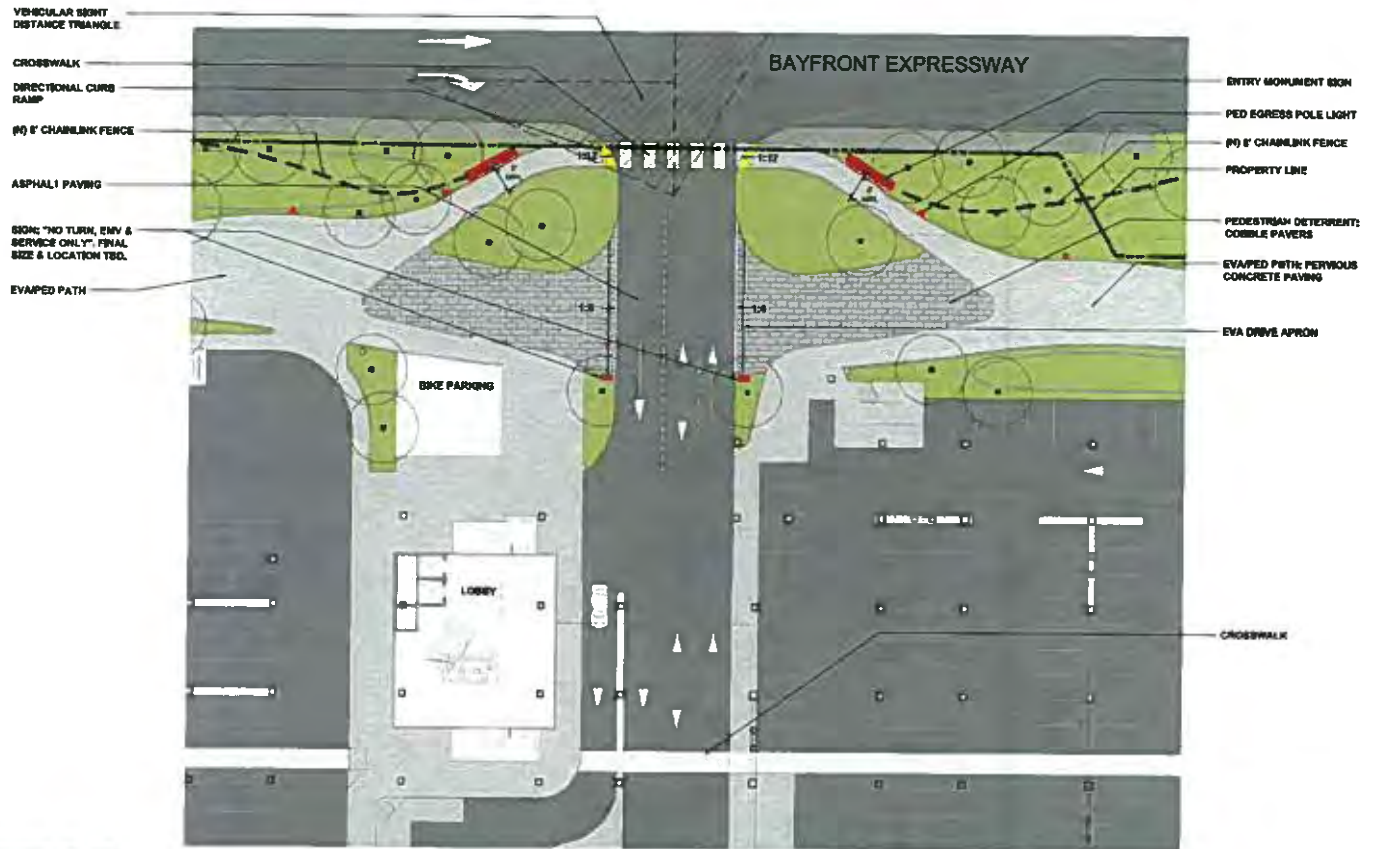
1. PEDESTRIAN DETERRENT MATERIALS AND COLOR ARE SUBJECT TO FURTHER REVIEW AND MODIFICATION AT BUILDING PERMIT STAGE.
2. ALL PEDESTRIAN PATHWAYS SHALL MEET ACCESSIBILITY REQUIREMENTS

ENLARGEMENT KEY



f facebook west campus
 312 & 313 CONSTITUTION DR.
 MENLO PARK, CALIFORNIA

WL.2.5: ENLARGED ENTRY PLANS
 SCALE: 1"=20'
 11X17 SCALE IS 1"=40'
 FEBRUARY 1, 2013



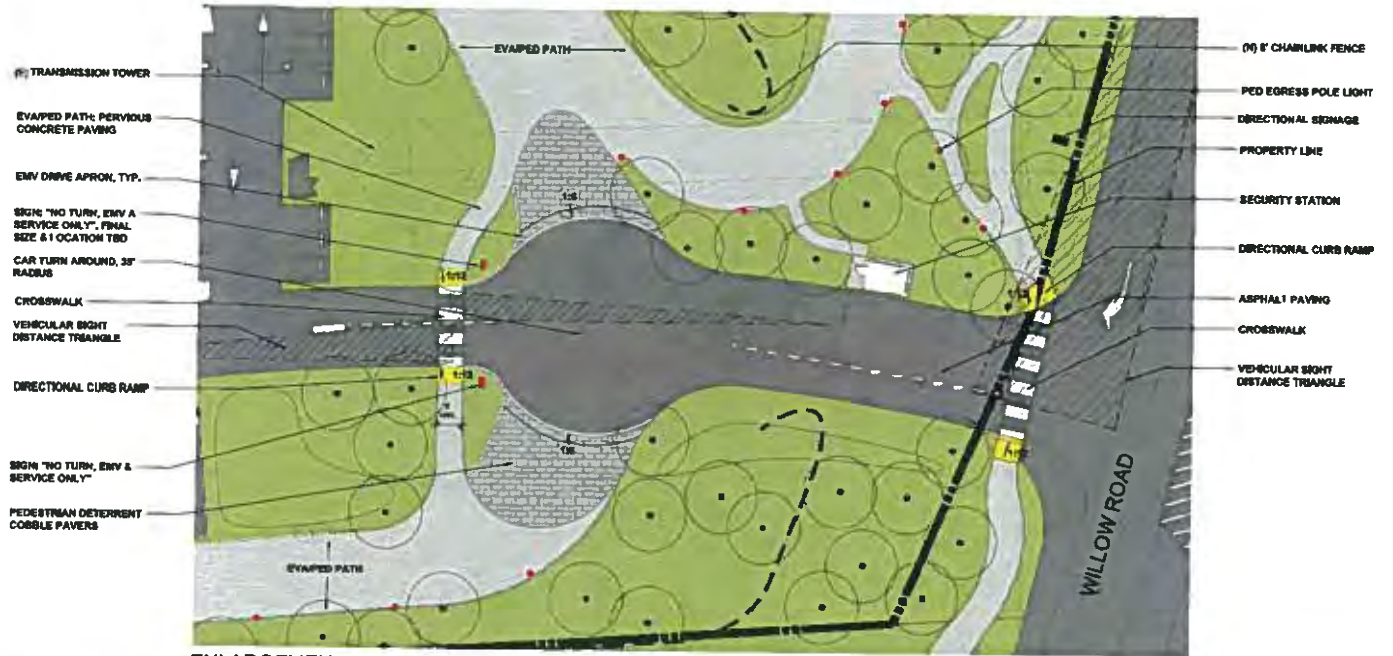
ENLARGEMENT PLAN B

NOTES:

1. ACCESS POINTS AND ALL IMPROVEMENTS ON BAYFRONT EXPRESSWAY ARE SUBJECT TO REVIEW AND APPROVAL BY CALTRANS. CALTRANS WRITTEN APPROVAL OF THE TRAFFIC SIGNAL TO THE SATISFACTION OF THE PUBLIC WORKS DIRECTOR IS REQUIRED PRIOR TO ISSUANCE OF BUILDING PERMIT FOR THE BUILDING FOUNDATION.
2. PEDESTRIAN DETERRENT MATERIALS AND COLOR ARE SUBJECT TO FURTHER REVIEW AND MODIFICATION AT BUILDING PERMIT STAGE.
3. ALL PEDESTRIAN PATHWAYS SHALL MEET ACCESSIBILITY REQUIREMENTS

ENLARGEMENT KEY





- TRANSMISSION TOWER
- EVAIPIED PATH: PERVIOUS CONCRETE PAVING
- EMV DRIVE APRON, TYP.
- SIGN: "NO TURN, EMV A SERVICE ONLY". FINAL SIZE & LOCATION TBD
- CAR TURN AROUND, 35' RADIUS
- CROSSWALK
- VEHICULAR SIGHT DISTANCE TRIANGLE
- DIRECTIONAL CURB RAMP
- SIGN: "NO TURN, EMV & SERVICE ONLY"
- PEDESTRIAN DETERRENT COBBLE PAVERS

- 60' 8" CHAINLINK FENCE
- PED EGRESS POLE LIGHT
- DIRECTIONAL SIGNAGE
- PROPERTY LINE
- SECURITY STATION
- DIRECTIONAL CURB RAMP
- ASPHALT PAVING
- CROSSWALK
- VEHICULAR SIGHT DISTANCE TRIANGLE

ENLARGEMENT PLAN C

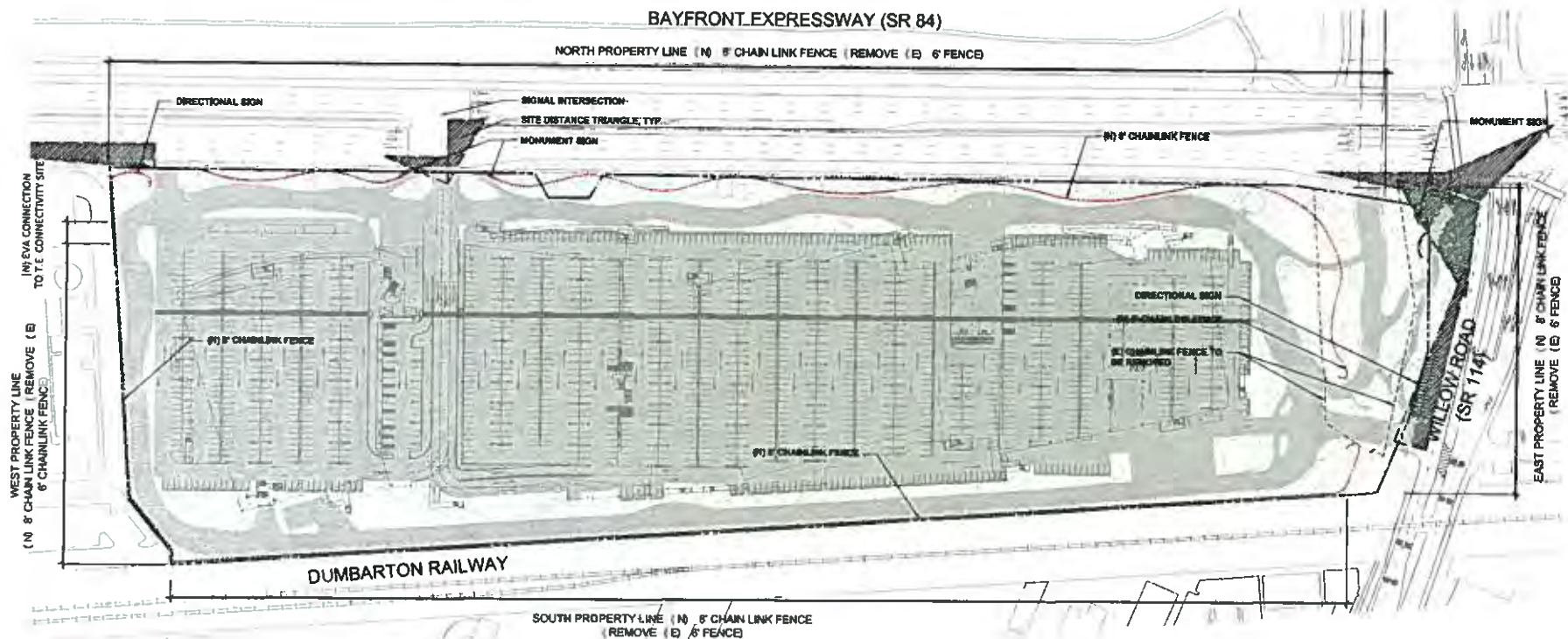
ENLARGEMENT KEY



NOTES:

1. ALIGNMENT OF CROSSWALK AT WILLOW ROAD WILL BE SUBJECT TO FURTHER REVIEW AT THE BUILDING PERMIT STAGE.
2. PEDESTRIAN DETERRENT MATERIALS AND COLOR ARE SUBJECT TO FURTHER REVIEW AND MODIFICATION AT BUILDING PERMIT STAGE.
3. ALL PEDESTRIAN PATHWAYS SHALL MEET ACCESSIBILITY REQUIREMENTS





LEGEND

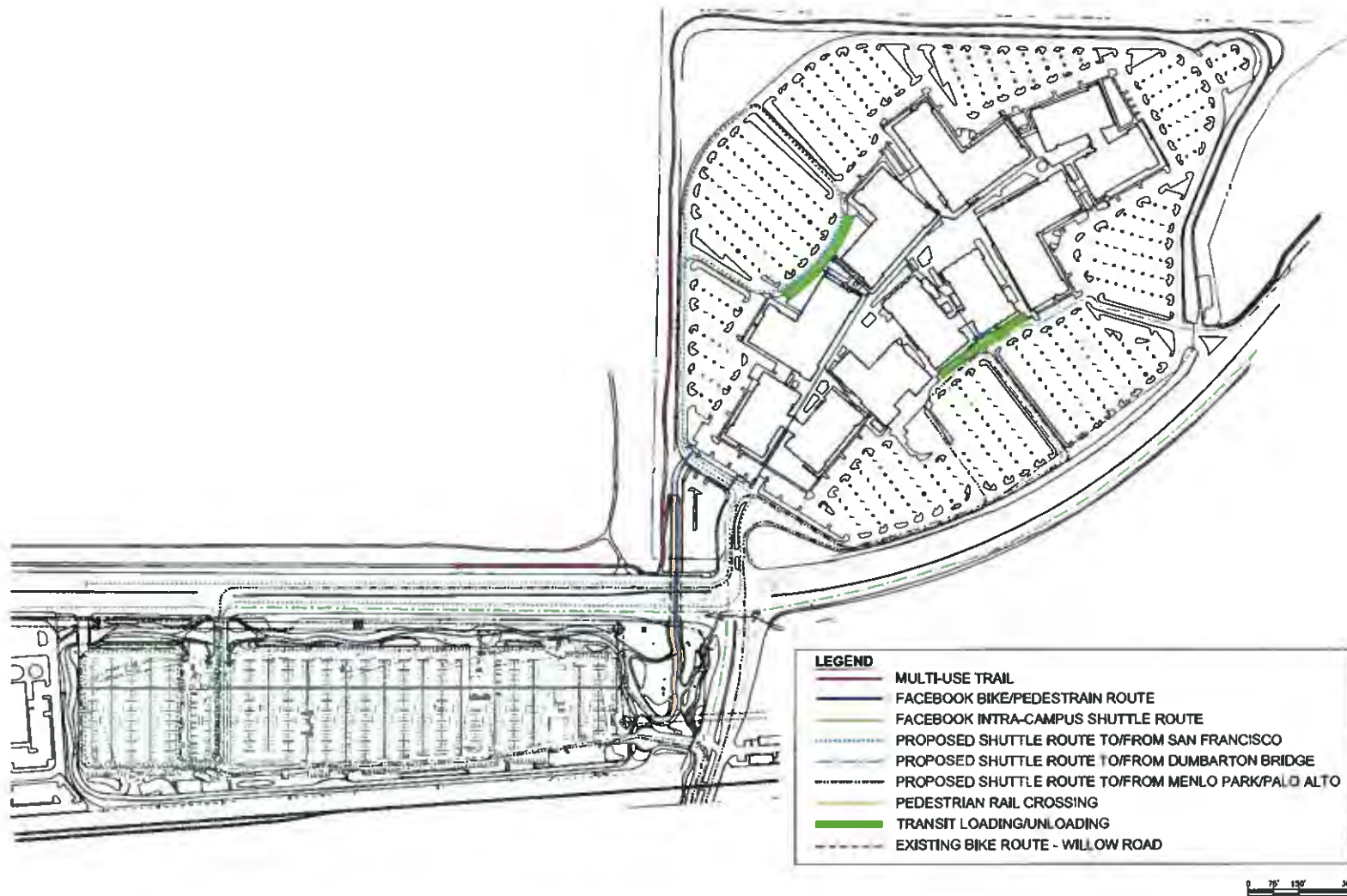
	MONUMENT SIGN: Each monument sign shall be illuminated and include the address.
	- Total Size Ea. Sign: 10'h x 18'w
	- Copy Area 1 ea. Ea. Sign: 100 SF Max
	- Total Copy Text for Sign: 301 SF Max
	DIRECTIONAL SIGN:
	- Total Size Ea. Sign: 10'h x 5'w
	- Copy Area 1 ea. Ea. Sign: 35 SF Max
	- Total Copy Text for Sign: 105 SF Max
	(N) FENCE: 8' chain link fence, * mesh vinyl coated - dark green or black

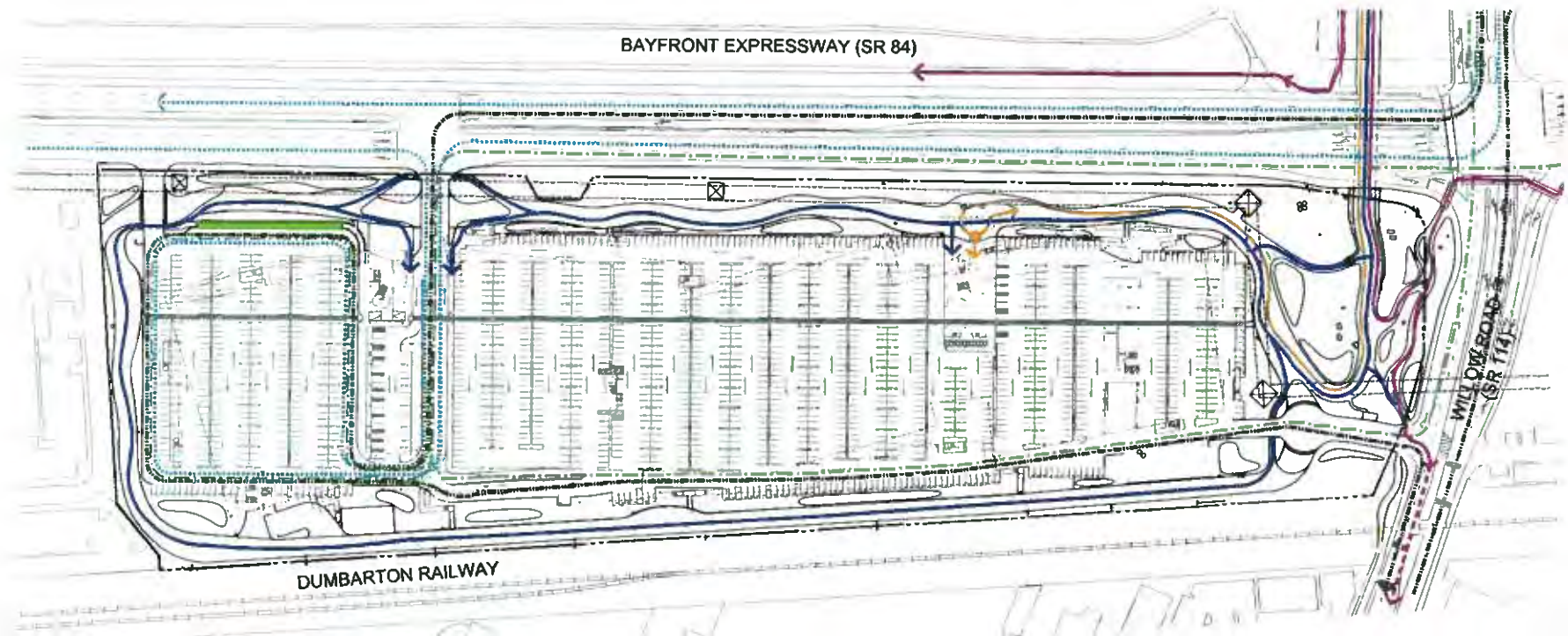


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 MENLO PARK, CALIFORNIA

WL.2.8: SIGNAGE & FENCE PLAN

SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2013





LEGEND

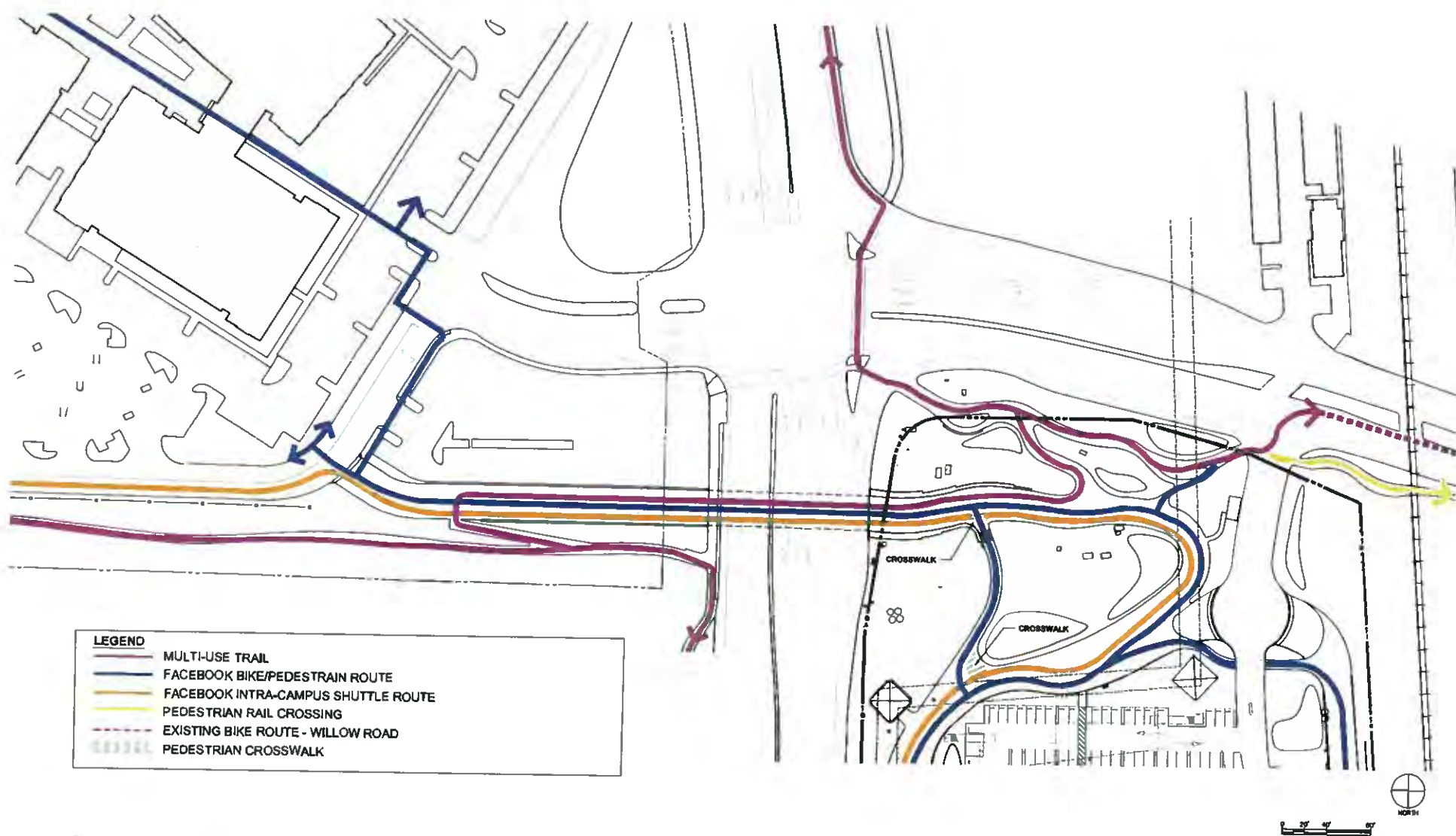
- MULTI-USE TRAIL
- FACEBOOK BIKE/PEDESTRIAN ROUTE
- FACEBOOK INTRA-CAMPUS SHUTTLE ROUTE
- PROPOSED SHUTTLE ROUTE TO/FROM SAN FRANCISCO
- PROPOSED SHUTTLE ROUTE TO/FROM DUMBARTON BRIDGE
- PROPOSED SHUTTLE ROUTE TO/FROM MENLO PARK/PALO ALTO
- PEDESTRIAN RAIL CROSSING
- TRANSIT LOADING/UNLOADING
- EXISTING BIKE ROUTE - WILLOW ROAD
- - - - - PEDESTRIAN CROSSWALK



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 MENLO PARK, CALIFORNIA

WL.3.1: CONNECTIVITY- WEST CAMPUS

SCALE: 1"=75'
 11X17 SCALE IS 1"=150'
 FEBRUARY 1, 2013



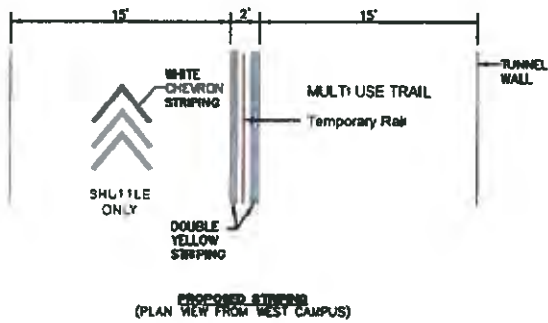
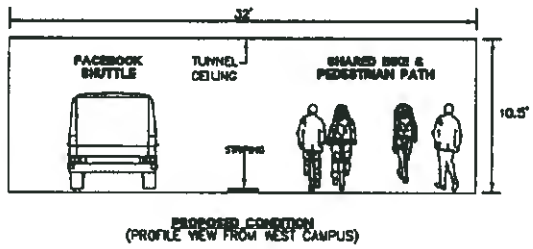
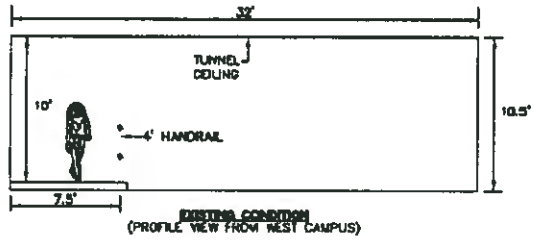
LEGEND	
	MULTI-USE TRAIL
	FACEBOOK BIKE/PEDESTRAIN ROUTE
	FACEBOOK INTRA-CAMPUS SHUTTLE ROUTE
	PEDESTRIAN RAIL CROSSING
	EXISTING BIKE ROUTE - WILLOW ROAD
	PEDESTRIAN CROSSWALK

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312 & 313 CONSTITUTION DR.
MENLO PARK, CALIFORNIA

WL.3.2: UNDERCROSSING CONNECTIVITY

SCALE: 1"=40'
11"X17" SCALE IS 1"=60'
FEBRUARY 1, 2013



SECTIONS 0 5 10 15



ENLARGED PLAN 0 5 10 15





01 PORTLAND CEMENT PLASTER
EXTERIOR WALL - OFFICE ENCLOSURE



02 FLATLOCK STAINLESS STEEL
EXTERIOR WALL - ENTRY LOBBY ENCLOSURE



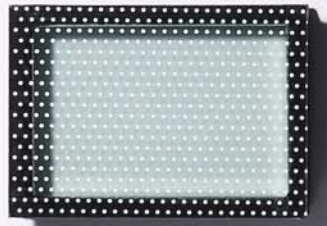
03 CORRUGATED FIBERGLASS
EXTERIOR OVERHEAD CANOPIES



04 CORRUGATED STAINLESS STEEL
EXTERIOR OVERHEAD CANOPIES



05 EXPOSED SEALED CONCRETE
PARKING LEVEL COLUMNS AND TERRACE SLAB



06 CERAMIC FRITTED LOW-E GLAZING
EXTERIOR CURTAIN WALL AND WINDOWS



07 PAINTED ALUMINUM GLAZING MULLION
EXTERIOR CURTAIN WALL AND WINDOWS



08 PAINTED STEEL
STEEL AT STAIRS, CANOPY STRUCTURE AND RAILINGS



09 PERVIOUS CONCRETE
EMERGENCY VEHICLE ACCESS LANE SURFACING



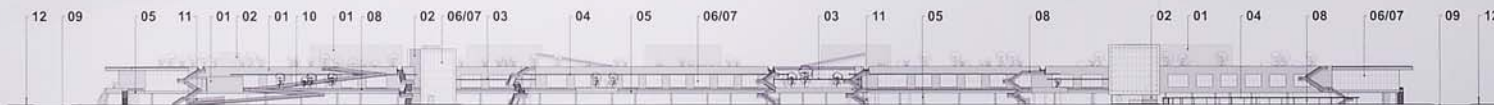
10 WOOD DECKING
EXTERIOR RAMP WALKING SURFACE



11 STAINLESS STEEL CHAIN-LINK FENCING
SECURITY ENCLOSURE AT BASE OF STAIR



12 VINYL COATED CHAIN-LINK FENCING
PERIMETER SITE SECURITY FENCE



NORTH ELEVATION
SCALE: 1" = 50'-0"
25 50 100

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: March 26, 2013
Staff Report #: 13-046

Agenda Item #: F-1

REGULAR BUSINESS: Accept the 2012-13 Mid-year Financial Summary and Adopt a Resolution Approving the Recommended Amendments to the 2012-13 Operating and Capital Budgets

RECOMMENDATION

Staff recommends that the City Council accept the 2012-13 Mid-year Financial Summary and adopt the attached resolution amending the 2012-13 Operating and Capital Budgets to reflect the recommended mid-year adjustments.

BACKGROUND

This report summarizes the City's mid-year fiscal status by providing an analysis of anticipated revenues and expenditures in comparison to the current adjusted budget for the 2012-13 fiscal year. Revised forecasts incorporate final 2011-12 fiscal year results, year-to-date cash flow and other data points that were not available when the budget was originally developed. Due to the dissolution of the City's redevelopment agency as of February 1, 2012, and the need to continue the services previously funded from tax increment revenues, the City's General Fund is significantly larger in comparison to the prior year.

To the extent possible, other trends or emerging items that were not included in the City's operating budget have been identified and the budgetary impacts of these items have been assessed. In addition, this report notes changes in activities that have very little overall impact to the budget, but allow for better alignment with Council goals and departmental directives. Although the focus of the mid-year review is the City's General Fund, this report also provides an update for other funds where fiscal changes are noted. A budget resolution (Attachment A) is recommended so that the current budget will not only provide the proper funding needed to carry out the programs and activities anticipated through June 30, 2013, but will also more accurately reflect the financial condition of the City as it enters the 2013-14 budget process. Having the latest projections reflected in the current budget enhances the forecasting process and allows decision makers to have greater confidence in the information provided within the budget development framework.

Considering the unfolding impacts of CDA dissolution, current economic conditions and this most recent analysis of operations, staff has updated the assumptions and projections incorporated in the City's 10-year financial forecast for the General Fund. This long-term forecast establishes an appraisal of fiscal sustainability beyond the current budget cycle, providing important context and focus to the annual budget process. A more thorough discussion of the potential impacts of the current economic environment on the development of the 2013-14 Budget will occur at the April 2nd Council meeting.

Although the economy in the Bay Area has improved significantly in the past few years, Staff continues to be challenged by an increasingly limited capacity to take on new priorities and unexpected opportunities. Staff will use the results of the Council's goals setting meeting in January to allocate the resources of the organization toward achievement of those specific outcomes to the extent resources are available. Should other priorities emerge, Council consensus would be required before work could be undertaken.

ANALYSIS

Economic Conditions

National Economy

At the time the City's 2012-13 Budget was being prepared, the national economy was in its second year of a very slow recovery from the worst recession since the Great Depression of the 1930s. Most forecasts indicated that the economy would continue to grow at a moderate pace, and the threat of the country slipping back into a recession had disappeared. But slow job growth and stubbornly high unemployment had eliminated the likelihood of a stronger recovery.

As anticipated, recovery has been slow. While the economy chugged along in late 2012, with continued gains in employment and income, federal policy makers debated the outcome of the so-called fiscal cliff. Growth in real GDP (gross domestic product) in the last quarter of the year was particularly disappointing, with low inventories, decreased defense spending and persistent trade deficits. However, consumer spending rose 2.2 percent, with much of the gain in vehicle sales. Private sector jobs rose toward the year's end, providing some momentum heading into 2013.

Although federal tax increases and spending cuts appear to be impeding real economic growth in the first half of 2013, job and income gains are expected to support consumer spending growth, and the housing market recovery – bolstered by low mortgage rates – should further strengthen. The second half of 2013 is expected to be stronger as the unemployment rate falls slowly, and previously discouraged workers return to the labor force.

State Economy

After nearly five years of economic decline, government retrenchment and a widespread lack of confidence in its economic future, California showed signs of a rebound in 2012. There is evidence of job growth, economic stability, a resurgent housing market and rising spirits in a state that was among the worst hit by the recession. California reported a 9.8 percent unemployment rate at the end of 2012, down from 11.2 percent in December 2011 and the lowest since January 2009. In September, California had its biggest month-to-month drop in unemployment in the 36 years the state has collected statistics, from 10.6 percent to 10.2 percent, though the state still has the third-highest jobless rate in the nation.

The housing market that had collapsed with a heavy rate of foreclosures has recovered in many, though not all, parts of the state. Fewer foreclosed homes flooding the market means fewer homeowners owe more than their house is worth. Houses are sitting on the market for a shorter time and selling at higher prices, and new home construction is rising. The median price paid for a home in California in January 2013 was \$290,000, up 22.9 percent from \$236,000 in January 2012. (In March/April/May 2007 the median had peaked at \$484,000; it declined to a low of \$221,000 in April 2009.)

After years of spending cuts and annual state budget deficits the California Legislative Analyst's Office (LAO) projects a deficit for next year of \$1.9 billion down from \$25 billion at one point - and said California might post a \$1 billion surplus in 2014, even accounting for the tendency of these projections to vary markedly from year to year. Dissolution of the state's 425 redevelopment agencies has helped decrease the State's obligations to education, but put additional pressure on a public sector that was already in the process of severe contraction. In addition to a series of deep budget cuts in recent years, voter approval of Proposition 30, promoted by Gov. Jerry Brown to raise taxes temporarily to avoid up to \$6 billion in education cuts, is cited as another reason for the State budget turnaround.

However, California's economic recovery is not uniform; Central California and the Inland Empire continue to struggle with the collapse of the construction market, quite different from the prosperous coastal cities. Some cities, most recently San Bernardino, are facing bankruptcy, and public employee pension costs loom as a major threat to the state budget and those of many municipalities, including Los Angeles. However, the recovery seems to be spreading to inland communities as jobs are created for long-distance commuters. And a surge in rental costs in the Bay Area suggests an influx of people looking for jobs.

Per the LAO, California's recovery is expected to improve in the upcoming fiscal year, with increases in both home building and job growth. Nonfarm employment is projected to grow 2.1 percent in 2013, 2.4 percent in 2014, and 2.5 percent in 2015. California should recover the jobs lost during the recession in the second quarter of 2015, which is two quarters earlier than projected in the prior forecast. Total California personal income is projected to grow by \$83 billion or 5.1 percent in 2013. The principal risk to this outlook is the potential impact of the automatic federal tax increases and spending cuts (sequestration) to take effect early in 2013 and the effect of federal actions regarding

the debt limit. Since the most notable sector affected by these cuts is defense, the southern part of the state will be more broadly impacted. The cuts come from defense projects, contracts, and Department of Defense civilian employees. Other notable cuts impacted by the drop in federal funding for California that would take place in 2013 alone include the State's Head Start program, elementary and secondary education, education for children with disabilities, environmental protection programs and law enforcement and public safety grants.

General Fund

The 2012-13 Budget anticipated that the very slow recovery would continue, but the dissolution of the City's RDA – the Community Development Agency – late last year created a significant challenge to the development of a balanced budget. Noting that services previously funded from redevelopment revenue would need to be funded from other sources or discontinued, staff recommend a mix of alternative funding sources and cost reductions that would mitigate the impact of the additional burden on the City's General Fund. After eliminating the Housing Division, deferring certain capital projects and implementing alternative funding strategies to replace redevelopment funding, the City was able to show a tentatively balanced budget. Following years of budget reductions, this is the first mid-year review that did not require departments to provide further expenditure reductions. However, departments were asked to identify, to the extent possible, additional funding sources or revenues to offset any additional budgetary needs.

Now, with more than half of the fiscal year of actual transactions under analysis, the City's year-end General Fund revenues are currently projected to be approximately \$662,000 higher than projected in the 2012-13 adopted budget. Whereas some expenditures had to be increased in direct correlation with the increased revenues, some of the growth, such as in property tax revenues, reflects real progress in terms of the local economy. Details of the City's General Fund Revenue analysis at mid-year are provided in **Appendix A** of this report.

Unlike mid-year revisions of the prior fiscal year, when many departments were significantly impacted by the loss of redevelopment funding, this year's revisions do not present incremental short-term expenditure savings. Rather, budget increases are proposed in most departments to reflect the need for continued service levels, and to support the anticipated program revenue increases.

Expenditure budget revisions are discussed in more detail in **Appendix B** of this report.

General Fund - Revenues

The following table shows the mid-year assessment of 2012-13 General Fund revenues. There are three columns for fiscal year 2012-13. The "Current 2012-13 Budget" column shows the revenue budget adopted by Council in June. The "2012-13 Projection" column shows the most current projection for the fiscal year. The final column reflects a summary of the revenue amendments to the 2012-13 budget as

requested through Council's action on this Mid-year Report. For comparison purposes, the table also includes the City's actual General Fund revenues in fiscal year 2011-12, as well as figures for the previous fiscal year.

Revenues actually received as of December 31, 2012 were presented with the second Quarterly Financial Review of General Fund Operations presented to Council on March 5th, and were analyzed as part of the projection for the fiscal year as a whole. However, year-to-date revenues are not included here as the timing variability within each different category greatly complicates the analysis and would make for a confusing presentation as a whole. Year-to-date receipts may be discussed in the various categories of revenue as they relate to a revised 2012-13 projection. The key factors which pertain to staff's recommended adjustments to each of the City's General Fund revenue categories are discussed in **Appendix A** of this report. Often, the revenues that require an amended forecast for the current fiscal year were based on the previous year's receipts that varied from the budget. This is the main reason the 2012-13 Sales Tax and UUT revenue projections have been reduced. But most revenue sources show improvement over the 2011-12 actual amounts, with receipts comparing favorably to the prior fiscal year.

City of Menlo Park					
General Fund Revenues - Summary					
	2010-11	2011-12	Current	2012-13	Mid-Year
	Actual	Actual	2012-13	Mid-Year	2012-13
			Budget	Projection	Amendment
Property Taxes	\$12,811,324	\$13,239,856	\$13,658,000	\$13,853,000	\$195,000
Sales Tax	5,988,055	5,938,310	6,330,000	6,280,000	(50,000)
Transient Occupancy Tax	2,453,981	2,939,475	3,326,000	3,326,000	0
Utility Users Tax	1,122,940	1,080,435	1,180,500	1,165,500	(15,000)
Franchise Fees	1,677,016	1,758,705	1,873,500	1,873,500	0
Licenses & Permits	3,239,561	3,685,556	4,266,465	4,326,465	60,000
Intergovernmental	1,946,156	1,158,010	966,263	838,130	(128,133)
Fines	953,195	1,067,327	1,085,200	991,400	(93,800)
Interest and Rent Income	575,758	761,326	770,018	752,018	(18,000)
Charges for Services	5,246,250	6,743,126	6,370,600	7,080,246	709,646
Transfers & Other	730,505	606,176	418,123	420,123	2,000
Total Revenue	\$36,744,741	\$38,978,302	\$40,244,669	\$40,906,382	\$661,713

The largest source of General Fund revenue increase is in the area of charges for services, due partially to the continued optimization of the City's new and remodeled recreation facilities for largely cost-recovery programs, but also from fees charged on an increased volume of development projects. The large decrease in intergovernmental revenues is due to the reduction in federal grant funding of the Belle Haven Child Development Center programs. Most of the changes in these revenue budgets are somewhat offset by increased or decreased expenditures of the projects and programs experiencing the change in funding.

General Fund - Expenditures

The following table shows the mid-year assessment of 2012-13 General Fund expenditures by department. Again, there are three columns for fiscal year 2012-13. The Current 2012-13 Budget column shows the budget adopted by Council in June 2012, adjusted for encumbrances of the prior fiscal year. Note that encumbrances (commitments of prior year funding) of \$272,551 were funded from savings in the 2011-12 operating budget. The "Current 2012-13 Budget" column also includes a budget revision approved by the Council in September: a \$90,000 budget addition for the Belle Haven Neighborhood Visioning project. These revisions brought the total General Fund expenditures budget to \$40,345,474. The second column shows the new mid-year projection for each department's expenditures for 2012-13. The final column shows the resulting amendments to the 2012-13 adjusted budget to reflect additional resources required (or anticipated operational savings) by departments for the remaining fiscal year. For comparison purposes, the table also includes the City's General Fund expenditure actual performance in fiscal year 2011-12, as well as figures for the previous fiscal year.

The overriding impact of the dissolution of the Community Development Agency on the City's General Fund is reflected in the large increase in expenditures that was included in the adopted budget for the current fiscal year. Because revenues appear to be coming in on course, no further cost-reductions were needed to maintain a balanced budget. However, all departmental budgets were analyzed, and some savings were identified.

City of Menlo Park					
General Fund Expenditures					
<u>By Department</u>	2010-11 Actual	2011-12 Actual	Current 2012-13 Budget	2012-13 Midyear Projection	2012-13 Midyear Amendment
Administrative Services	\$4,677,760	\$4,616,945	\$5,702,702	\$5,898,279	\$195,577
Community Development	2,503,579	3,383,568	2,987,249	3,197,249	\$210,000
Community Services	6,169,154	6,310,929	7,074,563	7,080,106	\$5,543
Library	1,914,899	1,871,633	2,042,465	2,042,465	\$0
Police	13,927,897	13,975,240	14,762,833	14,462,753	(\$300,080)
Public Works	4,517,248	4,482,385	5,311,334	5,528,334	\$217,000
Transfers Out	2,267,950	2,377,800	2,464,328	2,464,328	\$0
Total Expenditures	\$35,978,487	\$37,018,500	\$40,345,474	\$40,673,514	\$328,040
<u>By Expenditure Category</u>					
Personnel	26,845,799	26,544,150	28,548,234	28,286,954	(\$261,280)
Operating	4,614,493	4,893,216	5,886,660	6,004,295	\$117,635
Services	2,250,245	3,203,334	3,446,252	3,917,937	\$471,685
Transfers Out	2,267,950	2,377,800	2,464,328	2,464,328	\$0
Total Expenditures	35,978,487	37,018,500	40,345,474	40,673,514	328,040

The expenditure increases noted in the summary chart above are due largely to the identification of the services needed to address increased development activities in the City. Because development activities were reflected in upward revenue adjustments in the category of Charges for Services, the impact on the General Fund was largely negated. Details of the new 2011-12 expenditure projections for each of the departments are discussed in **Appendix B** of this report.

General Fund – Operations Summary

Again, the need for additional General Fund expenditure budgets totaling over \$328,000 were more than offset by the approximate increase in revenues (\$661,700) projected for the 2012-13 fiscal year.

City of Menlo Park General Fund Summary					
	2010-11	2011-12	Current	Current	Mid-Year
	Actual	Actual	2012-13 Budget	2012-13 Projection	2012-13 Amendment
Property Taxes	\$12,811,324	\$13,239,856	\$13,658,000	\$13,853,000	\$195,000
Sales Tax	5,988,055	5,938,310	6,330,000	6,280,000	(\$50,000)
Transient Occupancy Tax	2,453,981	2,939,475	3,326,000	3,326,000	\$0
Utility Users Tax	1,122,940	1,080,435	1,180,500	1,165,500	(\$15,000)
Franchise Fees	1,677,016	1,758,705	1,873,500	1,873,500	\$0
Licenses & Permits	3,239,561	3,685,556	4,266,465	4,326,465	\$60,000
Intergovernmental	1,946,156	1,158,010	966,263	838,130	(\$128,133)
Fines	953,195	1,067,327	1,085,200	991,400	(\$93,800)
Interest and Rent Income	575,758	761,326	770,018	752,018	(\$18,000)
Charges for Services	5,246,250	6,743,126	6,370,600	7,080,246	\$709,646
Transfers & Other	730,505	606,176	418,123	420,123	\$2,000
Total Revenue	\$36,744,741	\$38,978,302	\$40,244,669	\$40,906,382	\$661,713
Personnel	26,845,799	26,544,150	28,548,234	28,286,954	(\$261,280)
Operating	4,614,493	4,893,216	5,886,660	6,004,295	\$117,635
Services	2,250,245	3,203,334	3,446,252	3,917,937	\$471,685
Transfers Out	2,267,950	2,377,800	2,464,328	2,464,328	\$0
Total Expenditures	\$35,978,487	\$37,018,500	\$40,345,474	\$40,673,514	\$328,040
Net Operating Revenue	\$766,254	\$1,959,802	(\$100,805)	\$232,868	\$333,673
Encumbrances from Prior Year			(272,551)	(272,551)	
Net addition to/draw on General Fund		1,959,802	171,746	505,419	

To be consistent with the presentation of the adopted budget, this summary shows encumbrances from the prior year as “below the line” of net operating revenue for the year, as these commitments were funded out of the prior year’s appropriations. Comprehensive Planning project activities are recorded in a separate sub-fund and are not included in this General Fund Operating Summary.

Changes to General Fund Balance – Adjusted by the recommended amendments in this report, the General Fund shows a projected surplus (positive net operating

revenues) of over \$232,868 for the 2012-13 fiscal year. Not shown in these mid-year projections is the one-time distribution of the Community Development Agency's (CDA) unencumbered fund balances prior to dissolution. The estimated amount of the City's share of this one time distribution approximates \$1.9 million - nearly \$585,000 in the distribution already received of the former CDA's Housing funds, and an estimate of over \$1.3 million from Non-housing funds to be distributed prior to the end of the fiscal year. Although these operating and one-time revenue estimates will be revised in the coming months, the mid-year forecast reflects the most probable scenario for revenues and the amount of expenditure appropriations needed to carry out the General Fund operations of the City for the fiscal year.

City of Menlo Park General Fund Summary	2010-11 Actual	2011-12 Actual	Current 2012-13 Budget	2012-13 Projection	Mid-Year 2012-13 Amendment
Total Revenue	36,744,741	38,978,302	40,244,669	40,906,382	661,713
Departmental Expenditures	33,710,537	34,640,700	37,881,146	38,209,186	328,040
Transfers Out	<u>2,267,950</u>	<u>2,377,800</u>	<u>2,464,328</u>	<u>2,464,328</u>	<u>0</u>
Total Expenditures	<u>35,978,487</u>	<u>37,018,500</u>	<u>40,345,474</u>	<u>40,673,514</u>	<u>328,040</u>
Net Operating Revenue	766,254	1,959,802	(100,805)	232,868	333,673

The budget, as adopted in June, continued to reflect the significant cost reductions undertaken by the departments in response to the poor economic environment of recent years. This 2012-13 budget also includes some advanced recognition of personnel cost savings anticipated from vacancies. As Council has noted in the past, additional budgetary savings are a certainty, because the revised budget reflects the legal spending level of each department. Departments are only able to expend or commit funds *up to* this legal level of budgetary control. Because these budgetary controls are established within each category of departmental expenditures, budgetary savings tend to average approximately 3 percent of the annual expenditure budget. In recent years, higher expenditure variances were due to savings in the category of personnel costs in the form of a higher overall level of vacancies.

Long-Term General Fund Forecast

The 10-Year Forecast attached to this report as Attachment B was developed using the 2012-13 budget, adjusted for funding of redevelopment activities and other recommended adjustments in this report, as a starting point for estimating revenues and expenses of future operating budgets.

To evaluate the ongoing impact of each of the updated General Fund projections described in the City's long-term forecast, it is important to consider which adjustments reflect one-time events, and which represent a fundamental change in the City's revenue or expenditure structure. One-time revenues cannot be relied upon to augment

ongoing services, just as non-reoccurring costs will not drain the General Fund on a continuing basis. Therefore, no sale of property or other General Fund assets are assumed in the 10-Year Forecast. However, the funding of redevelopment activities as part of the General Fund budget is a permanent change that will continue to impact the City's future operating budgets.

The 10-Year Forecast was prepared utilizing the Municast system, a series of Excel spreadsheets that allow optimistic, most likely and pessimistic scenarios, and a different scenario for every account within a revenue or expenditure category. For example, if water franchise fees are anticipated to grow faster than electric franchise fees, these different growth rates can be part of the assumptions. However, the casual reader will not be able to determine these forecast assumptions by simply calculating a growth ratio. Likewise, different revenues are forecasted to recover with the economy at different speeds, even within the same category of revenues. The forecast shown provides only the "most likely" scenario of future revenues and expenditures. The notes to the 10-Year Projection attempt to articulate major deviations from a flat growth assumption within any category.

In the 10-Year Forecast, Property Taxes are assumed to grow slightly with the annual allocation of remaining tax increment from the former CDA. In addition, tenant improvements at the Facebook campus are assumed to be completed by the end of 2014-15, with associated increased property tax revenue. The potential revenue impact of other future development, including any development prompted by the Downtown/ECR Specific Plan, are NOT included in the long-term forecast. The recent increase in the City's Transient Occupancy Tax (TOT) rate (effective January 1, 2013) has been included in this forecast. The 10-Year Forecast does not assume any change in the Utility User Tax or growth in intergovernmental revenues.

Salaries and Wages have been broadly projected at levels which assume all existing labor agreements are adhered to until expiration. Labor contracts currently in existence were negotiated at the end of the 2010-11 fiscal year (or shortly thereafter), and provided savings in the four major cost areas of employee compensation: salary, health premium contributions, pension obligations and retiree medical. The long-term forecast reflect growth in salaries and wages at the "most likely scenario" level of 3% once they expire in 2013-14.

Rates charged by the California Public Employees Retirement System (CalPERS) are projected to go up in the next few years due to the impact on investment losses in 2008-09. In addition, CalPERS has alerted public agency employers that, although steps toward pension reform were implemented as of January 1, 2013, changes to actuarial economic assumptions will soon be considered that could significantly increase employer rates. The rates shown reflect rates provided by CalPERS (through 2012-13) or calculated by City staff based on CalPERS estimates for most current employees:

Fiscal Year	Miscellaneous	Safety
2012-13	16.821%	24.700%
2013-14	17.700%	26.149%
2014-15 (Est)	18.800%	28.000%
2015-16 (Est)	19.200%	28.400%

A provision for employees to share the cost of the employer rate should it exceed a certain threshold was included in recent agreements with non-safety labor groups, and safety personnel currently pay a full 3 percent of the employer rate. Since personnel costs are such a large portion of the General Fund budget, changes in these categories will have a significant impact on the fund's 10-Year Projection. Like many other public and private employers, Menlo Park will face the challenges of recruiting and maintaining a stable and competent work force in the face of large-scale baby-boomer retirements and reductions in benefit packages.

With respect to non-personnel expenditures, it should be noted that the General Fund transfer out (expenditure) for infrastructure maintenance is subject to the same inflationary growth as other General Fund operating expenditures in the 10-year Forecast. The regular transfer amount reflects the annual cost of maintaining the City's current infrastructure in its current condition. As such, the transfer is considered an essential part of a sustainable budget.

Spending for both contract services and operating expenses is shown net of encumbrances before growing with inflation. Despite pressure to keep costs controlled, most other operating costs are anticipated to grow from current year adjusted levels at an annual rate of 4 percent as the recovery strengthens, and short-term operating budgets are returned to sustainable levels.

Even with the budget revisions proposed, uncertainties still exist in the years to come. Budgetary risks intensify as revenues and expenses are projected into future years. Economists forecast that the recovery will be slow but fairly steady. Although the broad assumptions that underlie the 10-year forecast are considered to be conservatively realistic, any number of risks could result in a less positive forecast, including ineffective monetary policy by the Federal government, a major retrenchment of consumer spending, continued or increased unemployment, escalating inflation or an emergency event. The departure of any one of the City's top sales tax generators could damage this revenue further. And on-going legislation to deal with the State's budget by tampering with local governmental revenues will likely continue.

Conversely, improved revenues from the implementation of business development strategies in progress may provide the headwind - in the form of higher revenues - needed for smoother budgetary times in the near future. However, no one strategy is assumed to succeed (and included in the 10-year Forecast) until the result is imminent. Staff has endeavored to provide the most realistic budgetary projections possible using the most recent data available. Analysis of the General Fund and the City as a whole will continue through the development of the 2013-14 Budget, and will include revisions to this 10-year Forecast.

Concerns regarding sustainability are not limited to the General Fund. The City's other operating funds are also examined for future liability, as discussed below. Although comprehensive planning is considered a General Fund activity accounted for in a subfund, the revenues and expenditures of the Comprehensive Planning Fund will

serve to draw on General Fund reserves, and are not included in the General Fund mid-year analysis. The Bedwell/Bayfront Park Maintenance fund balance is dropping as annual operating costs exceed interest earnings on the remaining fund balance, as shown in the 5-year CIP draft document. Absorption of these park maintenance costs in to the General Fund operating budget are not included in the 10-year Forecast. However, even at the current reduced level of expenditures, this fund represents a \$100,000 annual program deficit, and the fund will be totally depleted in the next 7-8 years. Staff recommends creating a CIP Fund for all “non-infrastructure projects”. As an example other projects not funded include the phone system upgrade and the integrated Enterprise Resource Planning (ERP) System.

Until a separate funding mechanism is developed, future depletion of the General Fund CIP Fund should be anticipated.

Other Funds

Although the Mid-year Report is largely focused on the City’s regular operations which reside in the General Fund, over half of the City’s annual budget appropriations reside in other funds. To the extent that these Special Revenue, Capital Improvement, Debt Service and Enterprise Funds stay healthy and provide for the execution of the specific purpose for which they were created, it reflects well on the fiscal status of the City as a whole. To the extent that these funds do not accomplish intended objectives within their unique budgetary constraints, they may pose a risk to the City’s General Fund and the overall well-being of the City. A listing of changes made to other funds is included in the Resolution adopting all the budget revisions discussed in this mid-year report (Attachment A). The 2012-13 mid-year adjustments reflect changes to several funds, particularly for development revenues and grants in support of capital projects.

Comprehensive Planning Fund – As previously noted, the Comprehensive Planning Fund is a *subfund* of the General Fund that was established to provide adequate funding for the development of comprehensive planning projects as they are approved by the Council. Because these projects can be costly and take several years to complete, removing these project costs from “regular” General Fund operations allows not only better trend analysis for the General Fund, but also allows the budgets of such projects to be tracked and carried forward across fiscal years. Because of the backlog of General Plan updates and broad scope of comprehensive planning projects in general, the City faces significant operating outflows for comprehensive planning documents in the next few years. A transfer of \$250,000 from the General Fund was approved for 2012-13. In addition, a Specific Plan Preparation fee will serve to offset the cost of that project. However, the current Housing Element Update project, with a \$1.2 million Contract Services budget and \$145,000 in personnel costs in the current fiscal year, will exacerbate the shortfall of the new fund until a more systematic funding source is developed. The Council could authorize the use of one-time revenues, or some portion of those revenues, as additional funding for the Comprehensive Planning Fund.

The Housing Element Update project is expected to incur overtime costs of approximately \$35,000 this fiscal year. However, no budget amendment is proposed, as total personnel costs for Comprehensive Planning and Development Review services are within budget. Overall, this represents a shift of staff resources from other comprehensive planning work to the Housing Element, consistent with Council goals.

General Fund CIP – It is through the General Fund CIP that the City has annually channeled an adequate amount of funding for the City's infrastructure, in a fairly consistent manner. The level of funding was determined to be the amount needed to maintain the City's infrastructure (streets, sidewalks, buildings, etc.) in its current condition, thereby preventing the more costly repairs and upgrades needed when maintenance is deferred. As such, the annual transfer of approximately \$2.2 million is an integral part of the City's framework for a sustainable budget. In past economic downturns, this transfer may have been reduced at mid-year, but it has never been eliminated from the General Fund's budget.

The General Fund CIP Fund will be heavily impacted in the years to come by the elimination of redevelopment resources from the mix of funding that makes up the City's Capital Improvement Plan. For example, the funding for the work involved in landscaping, lighting or other improvements along various streets throughout the Redevelopment Area will be okay in the short term, but in the long term will require an increase to the General Fund transfer, other funding sources will need to be identified for this work, or expectations for the condition of City streets will need to be decreased.

Also previously noted with past years' reviews of this fund, many of the projects supported by the General Fund CIP do not contribute to current infrastructure maintenance, but actually *add* to the inventory of infrastructure assets that will need to be maintained in the future. In addition, deferral of maintenance and replacement of the City's technological systems has proved costly: a large number of such projects are queued in the City's proposed 5-Year CIP Plan, drawing from the General Fund CIP. The systems that forward the efficient and effective use of technology in City operations are costly and demand a high level of resources for implementation. Although they are an investment in the City's technological infrastructure, these projects were not anticipated to be funded from the transfer from the General Fund established in 2005.

The attached budget amendment adds to the revenue budget of this fund: grant funds of \$500,000 (Intergovernmental Funds) are anticipated from the Transportation Authority for assistance with project management at 101 and Willow Road Interchange project and consulting services for the duration of the environmental phase of the overall project. Consultants will represent the City at project development team meetings with Caltrans and the transportation authority and coordinate with various stakeholders on the project. This revenue is offset by an equal amount of expenditure in the fund's Contract Services category. A similar budget revision is needed for the LED Streetlight Conversion project, as the City expects to receive approximately \$350,000 in a reimbursement grant from the California Energy Commission for that project. Finally, the General Fund CIP Fund revenue budget should be increased

(\$1,233,000) for the second payment received from Stanford University for its Medical Center expansion project.

Two unanticipated projects have been added for the current fiscal year and require increases to the fund's Contract Services budget: \$30,000 is needed for the Emergency Repair of the Willow Place Bridge Abutments Stabilization Project, and \$10,000 should be adequate for the replacement of the Belle Haven Library signage (given that the Library Commission feels that a greater awareness will serve a broader population).

Finally, the fund's total expenditure budget can be reduced by \$348,941, as the project to plant 1,000 trees and shrubs at Bedwell/Bayfront Park, first proposed as the Carbon Dioxide Mitigation Project for the widening of Highway 84, has been cancelled. Grant funds were forfeited when the State disallowed a change in the scope of the project to instead plant 400 trees in the Belle Haven neighborhood.

Measure A (Transportation Authority) Fund – Revenues to this fund consist of the County-wide ½ cent sales tax used for City transportation programs and projects.

An \$80,000 increase is proposed (to \$740,000) based on prior year activity and year-to-date ½ cent sales tax receipts. In addition, the grant allocation for shuttle operations from C/CAG (the City/County Association of Governments) has increased due to a shift in funding sources of approximately \$125,750. The increased expenditure budget totally offsets the grant revenue increase.

Traffic Impact Fees Fund – The fee revenue (from developer payments) budget for this fund should be increased. As it is difficult to predetermine the timing of large development projects, only \$10,000 was budgeted for fee revenue in this fund. Based on year-to-date activity, the budget should be raised to \$150,000.

Construction Impact Fees – This fund is supported through developer fees assessed to mitigate pavement damage due to heavy construction activity. Recent year revenues have approximated \$500,000 per year, and the fund currently contributes \$1 million to the bi-annual Street Resurfacing project. Due to increased development activity, the fund's revenue from fees should approximate \$600,000; the current budget is \$480,000.

Bedwell/Bayfront Park Landfill – Revenues in this fund consist largely of solid waste surcharges collected to cover current and future post-closure costs of the landfill site. Solid waste rates have increased over the past few years, and the budget for this surcharge revenue should be adjusted upward by \$50,000 based on prior fiscal year results and current year-to-date receipts. However, revenues from royalties on the gas generated at the landfill have decreased somewhat, and these revenues should be decreased by \$15,000.

Solid Waste Service Fund – The City recently received funds - \$39,553 - from CalRecycle (the state's Department of Resources, Recycling and Recovery) based on

the volume of beverage containers collected through its curbside recycling program. This revenue was not previously budgeted. An increase in the expenditure budget of the fund is also proposed in order to put prior year grant funds to work on litter reduction and/or increasing recycling of beverage containers. The funds will be used to develop and implement a strategic plan for public trash and recycling containers in the City to reduce storm drain litter, which will help the City meet mandated storm water permit requirements.

Downtown Parking Permits – The majority of this fund’s revenues are collected in the months of November and December. Based on year-to-date activity, staff recommends increasing the \$350,000 budget by \$30,000.

Cal Literacy Grants Fund – Library literacy funding grants were restored the state budget in 2012-13. Project Read is now funded through a combination of individual grants, donations and city transferred funds and with any state funding determined annually and subject to legislative approval.

Alice Bradshaw, Project Read Program Manager, will be retiring at the end of this fiscal year. Alice is one of two city employees working in the adult literacy program. With this retirement, library administration is in the process of exploring all options including reorganization, contracting, and outsourcing for the continuation of library adult literacy services.

Storm Water Management Fund – Due to the variability and low volume of fees (largely Storm Water O&M agreement fees), no revenues were budgeted for this fund. However, revenues of \$6,000 have thus far been received from a storm drain pollution incident.

IMPACT ON CITY RESOURCES

Authorization of the attached budget amendment updates the previous allocation of City resources for the 2012-13 fiscal year, reflecting changes in economic conditions and the City’s current fiscal year-to-date performance. Council may consider revisions to the mid-year adjustment in the attached resolution, and/or additional amendments to the 2012-13 Budget. Revisions needed to acknowledge the receipt of one-time revenues will be made at year-end so as not to obscure the status of the City’s regular operating budget.

POLICY ISSUES

The acceptance of the Mid-year Report and authorization of the associated budget revisions does not represent a change in City policy.

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

Signature on file
Starla Jerome-Robinson
Assistant City Manager

Signature on file
Alex D. McIntyre
City Manager

PUBLIC NOTICE

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

ATTACHMENT

- A. Resolution Adopting the Budget Amendments Identified in the Mid-year Report
- B. Revised 10-year Forecast

1. Appendix A – General Fund Revenues

Property Taxes – The San Francisco Bay Area housing sector was a sustaining factor in the local economy through the difficult period following the “dot com” bust, and fared relatively well through the steep declines in home prices from 2008 through 2010. And the market continues to stabilize. Although the current annual rise in property assessed values are less than rates experienced earlier in the decade, the local housing market is very strong. And though credit conditions remain very tight, there is renewed interest in commercial real estate development. However, economists generally agree that the broader economy must also recover in order to maintain this stability; an increased demand for housing will only be achieved through increased employment and incomes.

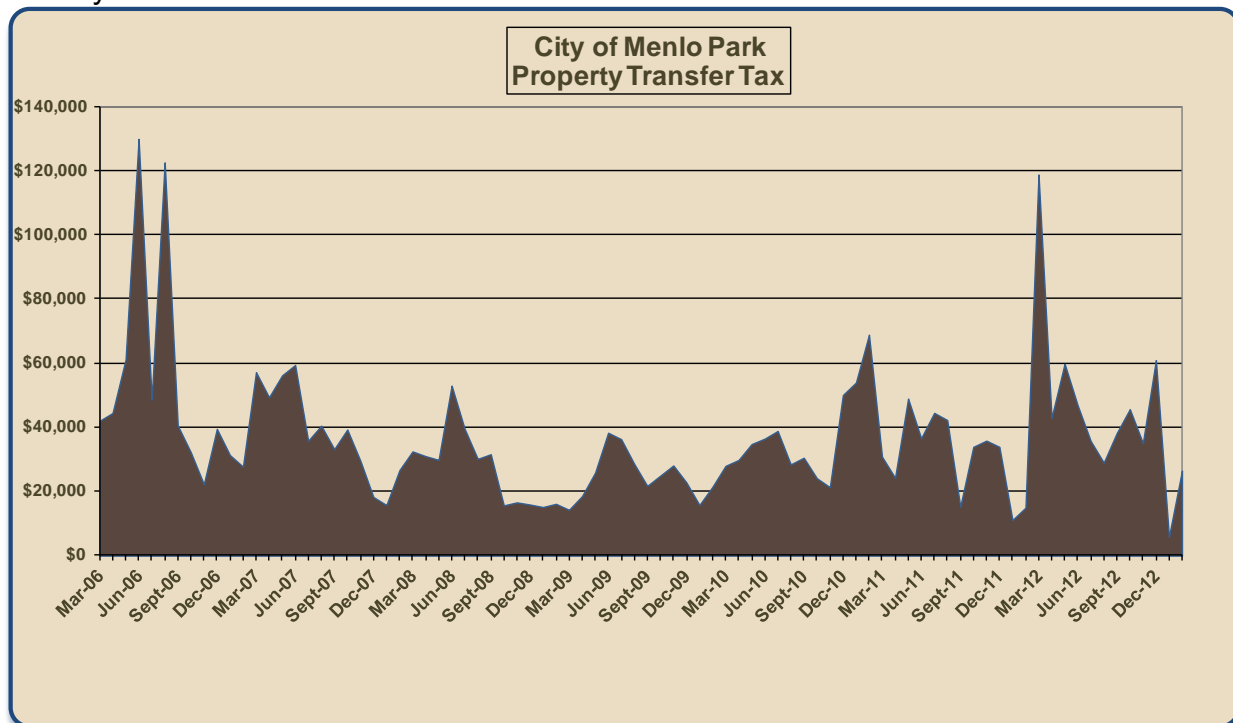
Property tax rolls are established prior to the beginning of the fiscal year. For 2012-13 Menlo Park’s roll value (net of the redevelopment area) increased by 5.45 percent, including an inflationary factor of slightly over 1 percent applied to all California property assessments. As shown in the chart below, the preponderance of the City’s property tax revenues (over ninety percent) comes from secured property taxes, which are established by the tax rolls and diminished only through refunds on successful appeals to the County Assessor’s Office. The appeal rate on Menlo Park properties remains low outside of the redevelopment area.

City of Menlo Park Property Taxes					
	2010-11	2011-12	2012-13		
<u>Property Tax Account</u>	<u>Actual</u>	<u>Actual</u>	<u>Adopted Budget</u>	<u>Midyear Projection</u>	<u>Midyear Amendment</u>
Secured Property Tax--Current	11,724,140	12,082,888	12,585,000	12,860,000	275,000
Unsecured Personal Prop Tax	393,250	404,916	430,000	350,000	(80,000)
Property Transfer Tax	457,701	501,161	410,000	410,000	0
Supplemental and Other Property Tax	236,232	250,891	233,000	233,000	0
Total Property Tax Revenue	12,811,323	13,239,856	13,658,000	13,853,000	195,000

In 2011-12, actual property tax revenues were slightly higher (about 1.7 percent) than the adjusted budget. Revenues from secured property taxes were expected to rise approximately 4.7 percent in 2012-13, but since other components were expected to be lower, the entire category of these revenues were conservatively budgeted. In particular, adjustments in the County’s ERAF (Educational Revenue Augmentation Fund) distributions were expected to negatively impact the City’s excess ERAF reimbursement (ERAF reimbursements are categorized as secured property tax revenues) in comparison to prior years. The ERAF reimbursement, received early in February, was actually \$247,000 *higher* than in the prior year. In addition, regular distributions of property taxes from residual property tax increment of the former redevelopment agency are also expected to be approximately \$30,000 higher than estimated in the proposed budget. However, unsecured property tax has declined, probably due to the lag in reporting and assessing these values. This is not seen as a

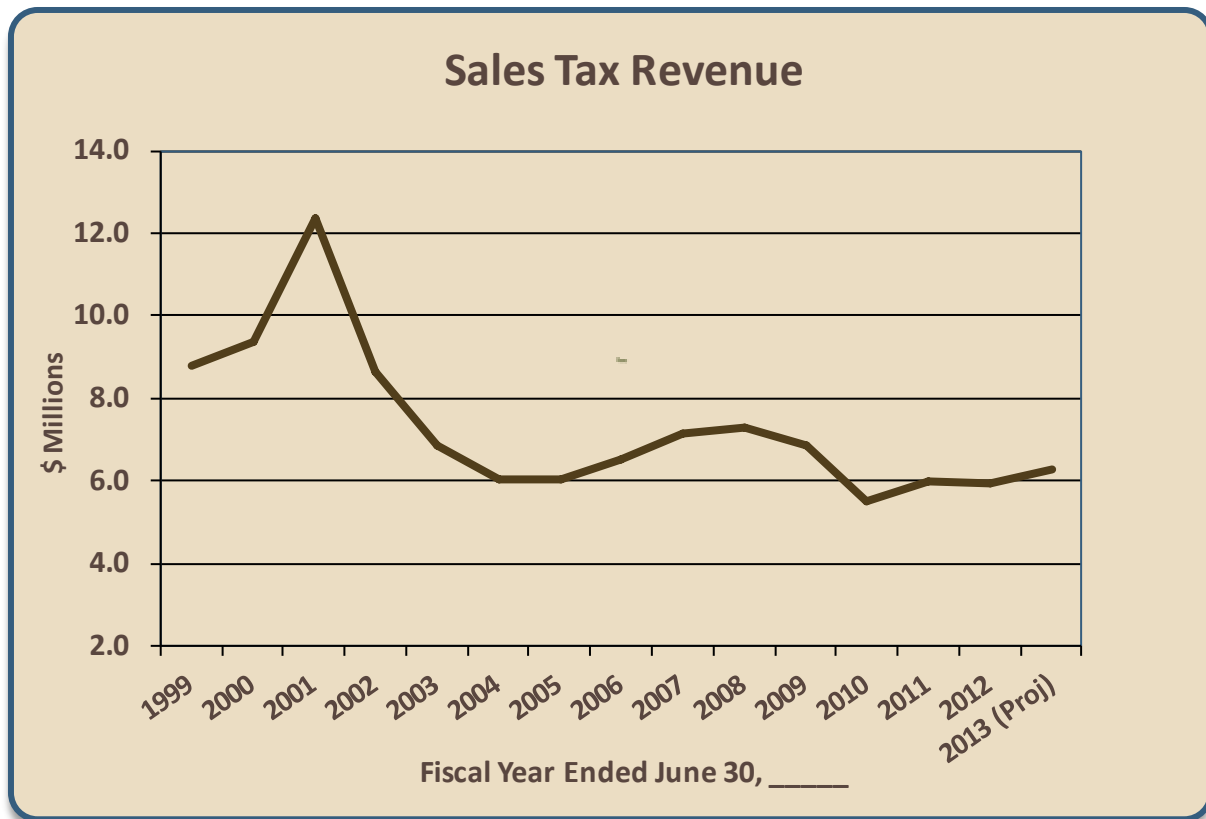
downward trend, and should increase as businesses accelerate their purchases of equipment and furnishings. Other components of property tax revenues are coming in as projected. However, the dissolution of the Community Development Agency (CDA) will provide a one-time bump-up in property taxes as unencumbered fund balances of the former RDA are distributed as secure property taxes to all taxing agencies in the jurisdiction. The City's share of this one-time distribution is approximately \$1.9 million. The property tax revenue budget for the year will be amended when these funds are received, towards the end of the fiscal year so as not to interfere with the analysis of normal tax revenues.

Although property transfer tax comprises only 3-4 percent of the City's property tax revenues, it is an excellent indicator of real estate activity in the City, and is tracked monthly.



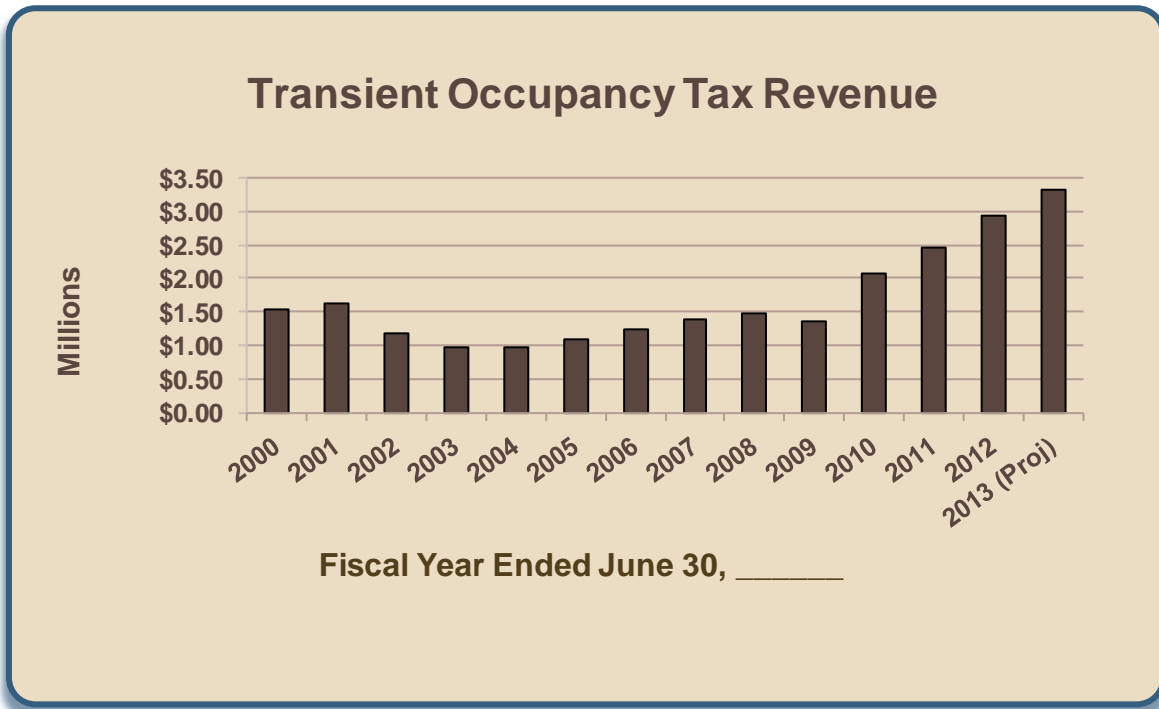
A significant decrease in the *volume* and *value* of real estate sales during the recent recession is reflected in the City's property transfer tax revenue chart above. Although higher property tax receipts were recorded earlier in the year, January and February activity slowed. Depending on real estate sales in the last quarter of the fiscal year, this revenue could come in over the \$410,000 budgeted for the year. (The 2011-12 amount received was just over \$500,000.)

Sales and Use Taxes – Menlo Park began to experience a flattening of sales tax revenues in the last quarter of fiscal year 2007-08; both consumers and businesses retrenched in response to the economy. As can be seen in the chart below, sales tax revenues for the City declined 6.1 percent in 2008-09, with a further 19.9 percent decrease in 2009-10.



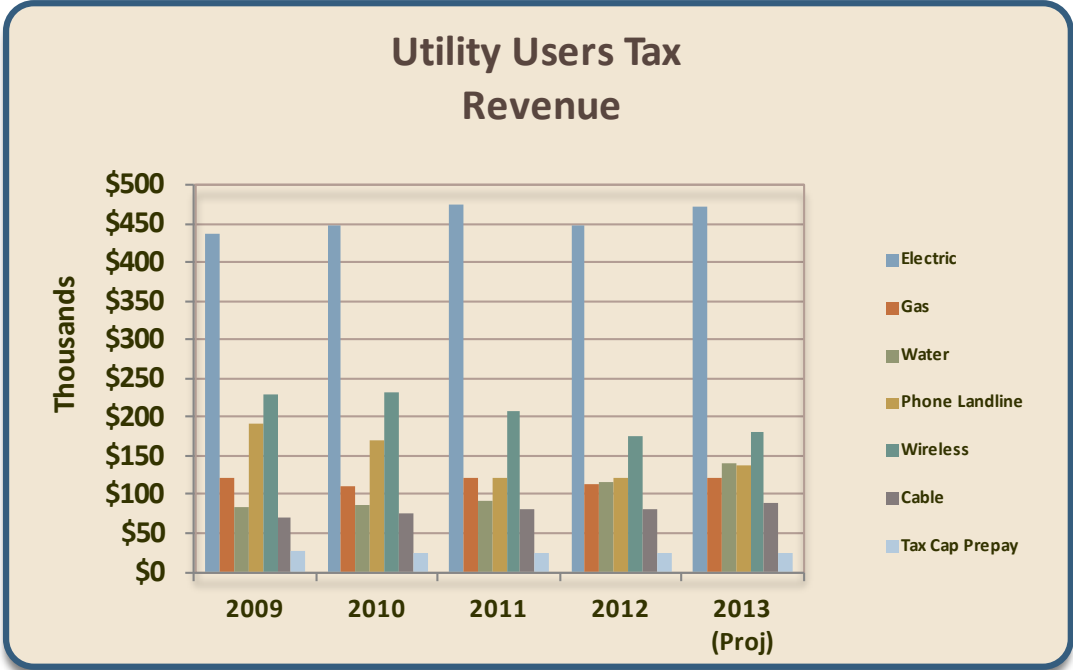
As the economy began to recover, sales tax revenues finally started to stabilize for the 2010-11 fiscal year. But the City has not been experiencing sales tax increases comparable to other cities in the county. Because sales tax receipts are remitted to the state with returns due within the quarter *following* actual taxable sales, sales tax data is received only quarterly. The nearly 4-month lag time makes timely analysis very difficult. However, it is apparent that on the average, sales tax revenues in Menlo Park were down slightly (comparing the quarter ended September 30, 2012 to the same quarter of the previous year) with the Business-to-Business category down 12 percent, after falling 11 percent the previous year. But a recent notice from the Board of Equalization indicates that the sales tax from a business location previously in Menlo Park had been incorrectly allocated (138,170) to the business' new location. Despite this positive determination, a slight downward adjustment (\$50,000) is recommended for this revenue category for the current fiscal year.

Transient Occupancy Taxes (TOT) – TOT revenues are usually a good indicator of current economic activity, but are not reported or paid to the City until the month *following* the close of each quarter. Results of second quarter (June 2012) operations were not known until the close of the fiscal year, at which time the budget for 2012-13 was already in place. Occupancy rates at all hotels now appear to be healthy, and room prices (which were lowered to increasingly competitive rates during the economic downturn) are also higher. The adopted budget for this revenue included a 2% increase in the TOT rate effective January 1, 2013, and TOT revenues appear to be right on track for the current year's activity.

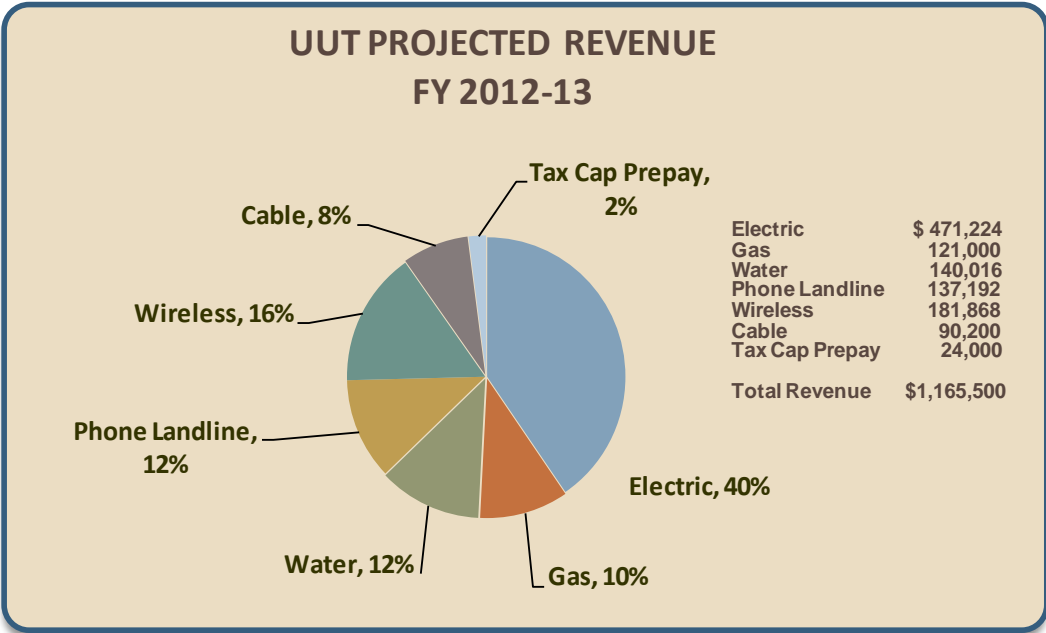


Utility Users Tax (UUT) – Collection of the City’s UUT, passed in November 2006 as a strategy towards long-term budget sustainability, began as of April 1, 2007. The tax was reduced from the 3.5 percent assessed on electric, gas and water utility use and 2.5 percent tax on telecommunication and video/CATV services to a flat 1 percent rate on all utilities beginning October 1, 2007. This reduced rate was reconfirmed by the City Council for the 2008-09 fiscal year, and for each subsequent year’s budget to date.

The cost of utilities, large-scale changes in utility usage and the weather can significantly impact UUT revenues. UUT revenues came in approximately 1.1 percent below the 2011-12 adjusted budget, which had been adjusted downward at mid-year. Currently these revenues are being received at a similar pace to the last fiscal year. These weak results can largely be attributed to a continued decline in telephone (landline) services and (taxable) wireless communications giving way to (non-taxable) text messaging and data transfers. Lower energy utilization, the result of relatively mild weather and a very slow economic recovery, appear to be curbing the affects of slightly higher utility rates. Although electric and gas utility tax revenues are coming in more slowly than anticipated, water, telephone and cable revenues are coming in slightly higher. In total, mid-year analysis indicates that the 2012-13 budget for the City’s revenues for all UUT collections should be reduced slightly (\$15,000).

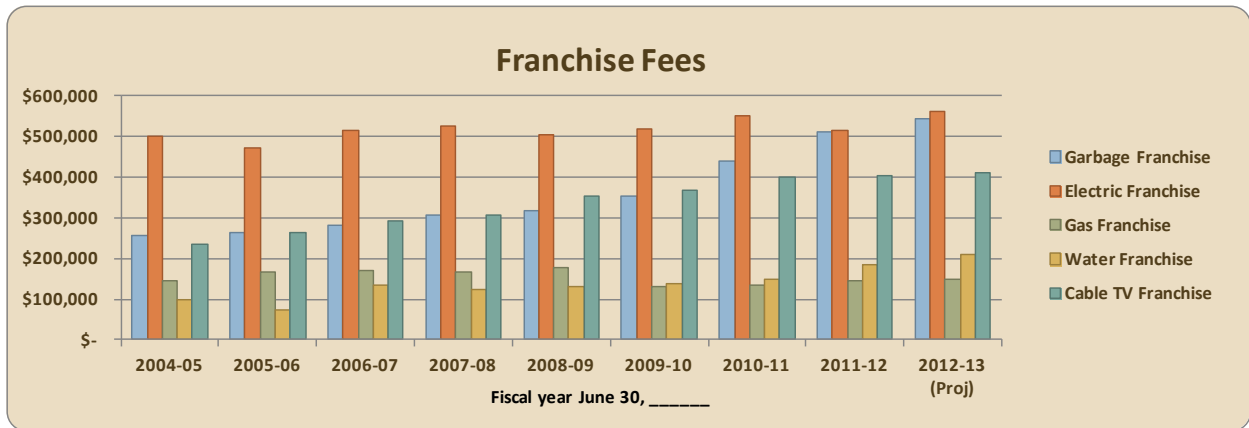


At the current 1 percent rate, the City can anticipate revenues of \$1,165,500 from the tax this fiscal year, as shown below.



An annual review of the UUT has been incorporated into the City’s budget process, and the Council will consider an action to continue the tax at a reduced rate in the 2013-14 fiscal year budget deliberations in June. If the Council does not establish (by resolution), a reduced rate for the tax, the current temporary (12-month) tax rate reduction will expire, and the original tax percentages will be automatically reinstated as of October 1, 2013.

Franchise Fees – Franchise fees are a fairly consistent contributor to General Fund revenues. Nearly half of the City’s franchise fee revenues (those from PG&E for electricity and gas) are paid in April each year for the subsequent calendar year. Total revenues from this source flattened somewhat with the recession, and an analysis of UUT revenues indicates that the franchise fees paid by PG&E will be only slightly higher than in the prior year. The franchise fees for water, cable and garbage services are received quarterly and have risen moderately through the years due to higher rates/fees for these utilities.

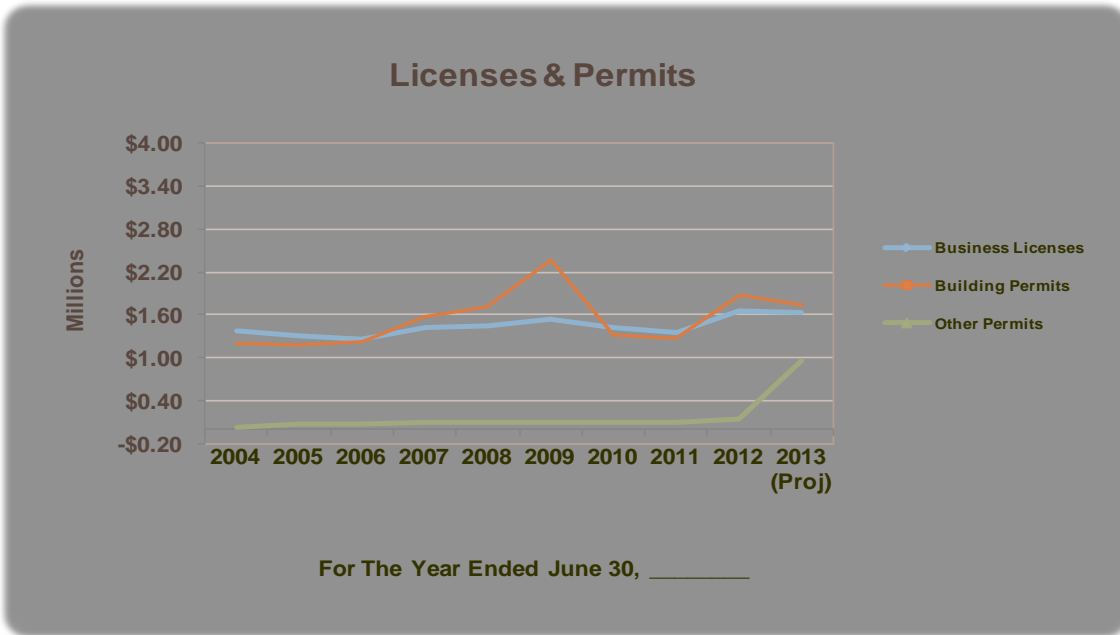


The current year budget projections (although calculated separately for each franchised utility) called for a 5.9 percent increase overall from the 2011-12 fiscal year in anticipation of a recovering business climate. Actual receipts appear to be on-target, and no amendment is suggested for this revenue category.

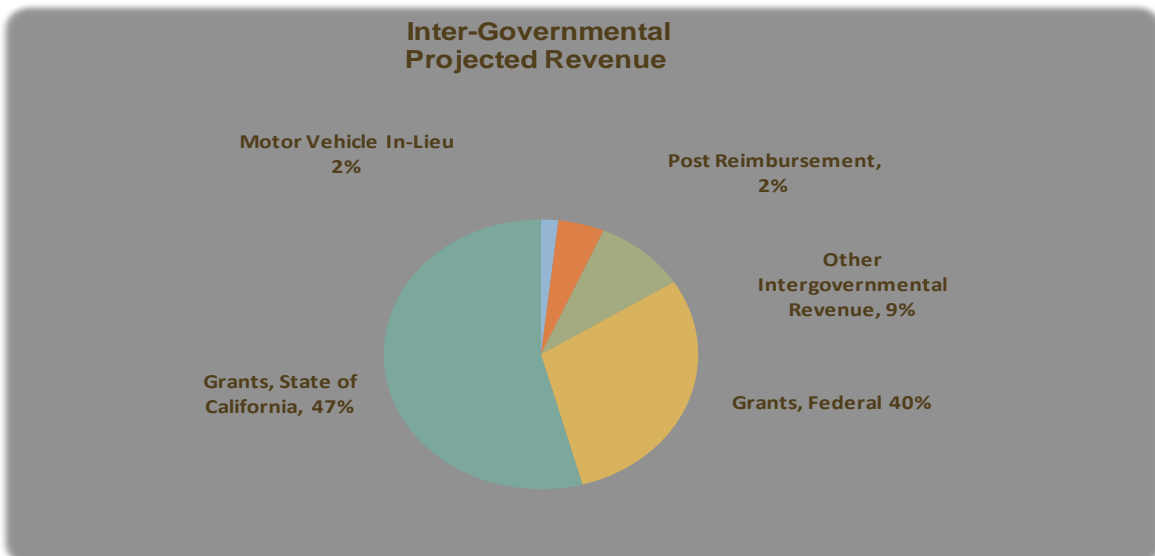
Licenses and Permits - The City’s budget for this revenue category is largely comprised of two main sources: development permits and business license fees. As seen in the chart below, total revenues from these two sources were slightly over \$4 million in 2007-08, but fell to \$2.8 million in 2008-09, and slightly over \$2.7 million in 2009-10, necessitating sharp mid-year budget reductions in these revenues during those recessionary years. It is also apparent from the chart that business license revenue is much less volatile than revenues attributed to development activities. The large bump-up in the current fiscal year reflects the annual in-lieu payment from Facebook, negotiated with the East Campus development agreement.

Actual revenue from development permits (over \$2.0 million) in 2011-12 exceeded the budget by approximately \$180,000. An analysis of the current year’s permit revenues indicates that this higher development permit activity will continue in the current fiscal year. As a result, building permit revenue is expected to come in \$80,000 higher than anticipated in the 2012-13 budget.

Business license revenues will be slightly short of the adopted budget (\$20,000) with a decrease in penalties. (A significant compliance effort in the prior year had resulted in growth in the revenue base, but also provided one-time penalties for failure to get a permit previously.)



Intergovernmental Revenues – This revenue category consists largely of state and federal grant funding and inter-jurisdictional contracts. Approximately 86 percent of the City’s intergovernmental revenue is the result of state and federal grants, which comprise approximately \$966,000 of the 2012-13 budget. Of this amount, \$708,000 is directed to the Belle Haven pre-school program (BHCDC). Revenues associated with the grants are expected to decline (over \$130,000) in the current fiscal year due to further cuts in federal and state funding.



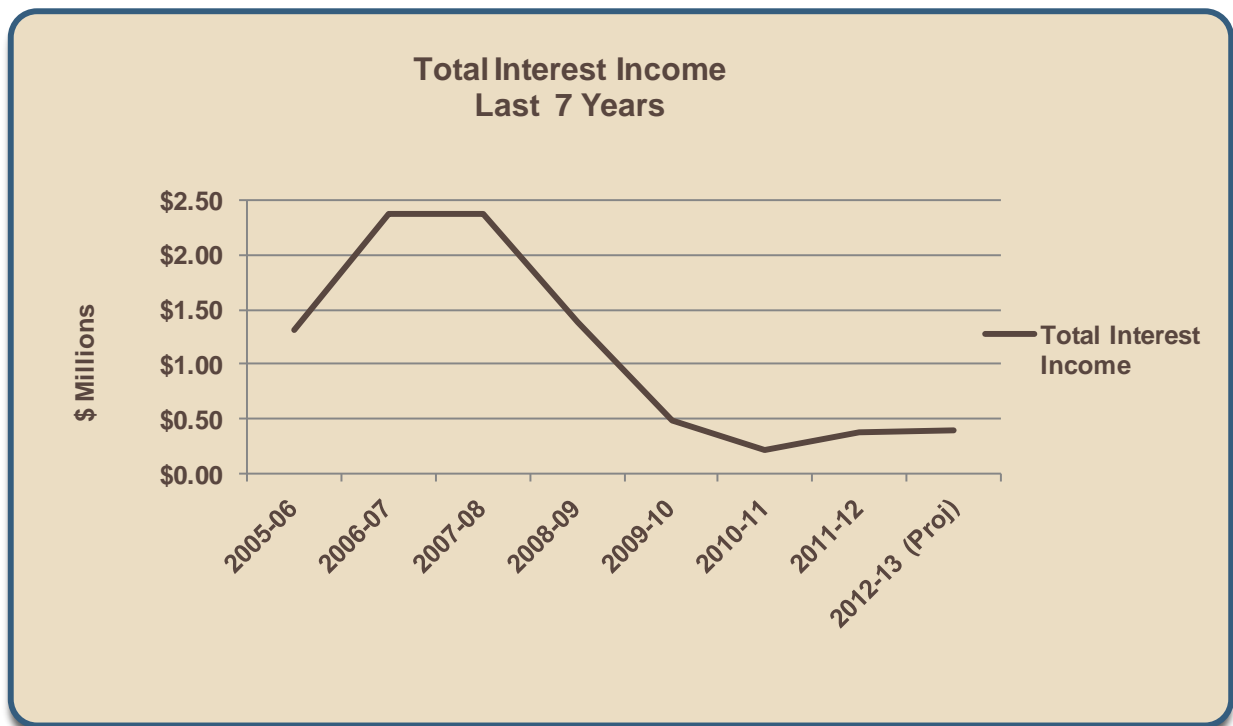
Fines – Due to lower staffing levels and the lack of a dedicated traffic unit, revenues from traffic fines are expected to decrease in the current fiscal year. The number of citations issued has decreased by 37 percent year-to-date, compared to the prior year.

The second half of the fiscal year should bring an increase in staffing and traffic enforcement, but a \$50,000 reduction in this budget revenue item to \$200,000 is recommended.

Collections from Menlo Park's four red-light camera system installations are also expected to decline. Due to Caltrans paving operations, the Redflex red light cameras on El Camino Real were inactive for four months, beginning in early November. An accident also disabled the red light camera on Bayfront Expressway since late November – that camera is still not operational. The loss of revenue on these cameras will exceed \$120,000 by the fiscal year end. This will be offset somewhat by a savings in Redflex services, which are not being charged for the time period the cameras are not in operation. The savings from the reduction in charges from Redflex is approximately \$44,000.

Use of Money and Property - Interest earnings on the portfolio in 2011-12 for the General Fund was approximately \$386,000. This revenue continues to experience historical lows due largely to current federal monetary policies. It is appropriate to consider how this rather uncontrollable revenue source should be factored into a sustainable budget.

The chart below reflects the significant fall in interest income in recent years – total interest revenues are shown as reported in the financial statements for each fiscal year.



As anticipated, 2012-13 investment earnings continue to decline due to the effect of the very low interest environment of the past five years. Because the City has always invested in only the safest of securities (the highest priority of the City's investment

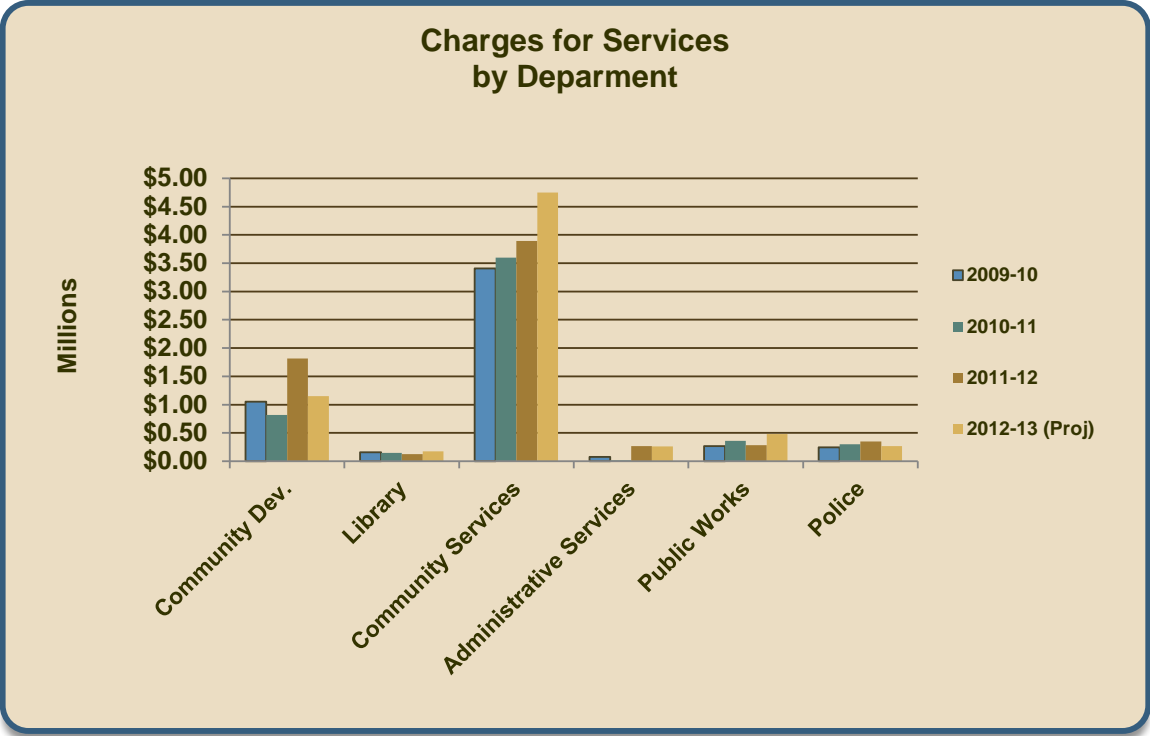
policy is preservation of capital), no investment losses were incurred. However, the average yield (net of fees) in 2008-09 of 3.35 percent fell to 1.57 percent in the 2009-10 fiscal year, 1.36 percent in 2011-12, and 0.58 percent in 2012-13. The Federal Reserve has maintained its “easy monetary policy” to promote economic growth, so there is little reason to expect short-term investment rates to rise over the next several years. The U.S. Treasury is still perceived as a safe-haven instrument, and the City also invested holds short-term investments in federal agency issues. As many corporations have improved their balance sheets in recent years, the City has also purchased high-quality corporate notes and commercial paper that offer a better value than federal instruments.

The current yield on the City’s account with the Local Agency Investment Fund (LAIF), which comprised nearly 50.1 percent of the City’s cash holdings in the last quarter of 2012, is currently hovering at 0.38 percent. Although a rapid rise in long-term rates are not expected, staff continues to acquire short-term notes in order not to be holding too many low-yielding securities when interest rates start to increase. Staff continues to work with the City’s investment advisors to identify appropriate investments that meet the City’s investment objectives, and to rearrange the portfolio for maximum yield.

Offsetting the decline in the investment portfolio is the unbudgeted pay-off of the former City Manager’s housing loan, with associated deferred interest. No adjustment is recommended in investment income at this time. However, a reduction of \$18,000 decline in the category Rental Income should be made to reflect the loss of rental income from the former redevelopment agency that was erroneously budgeted in the current fiscal year.

Charges for Services – This category of revenues includes a variety of fees, including fees for recreational and social programs in the Community Services Department as well as plan check fees and development review fees related to Public Works activities in the Development Review service, and encroachment fees. Although the recommended budget revision includes reductions to some of the revenues included in this category, an 11.1 percent increase (over the adopted budget) is this year projected for General Fund Charges for Services revenues as a whole.

In recent years the City has paid particular attention to establishing fees that provide a specific, policy-based level of cost recovery for the programs from which these revenues are derived. Unanticipated changes in program participation and/or service demands can impact the City’s cost-recovery goals considerably; to the extent that cost recovery goals are not met, General Fund reserves (i.e., tax dollars) must be utilized to support programs that do not necessarily serve the general public.



The revision represents a significant number of line item modifications, but the largest revenue increase will be experienced in the Community Services Department, as the department continues to provide programs that maximize the use of new recreational facilities. Increases in residential recreation fees are anticipated in nearly all programs, but particularly in Gymnastics (\$225,000) and Youth Sports/Camps (\$92,000).

Also noteworthy is the expected increase in developmental revenues in this category. With an increase in development activity, the budget for Improvement Plan Check revenues needs to increase by \$60,000, and Subdivision Inspection Fee revenues should be \$50,000 over the adopted budget. Tree Permit revenue, based on year-to-date activity, and should be adjusted upward by \$40,000.

In addition to the increase in the volume of development projects, the Public Works Department is anticipating a reimbursement from PG&E for encroachment costs (\$180,000) associated with two pipeline replacement projects. (The offsetting expenses have also been included as an adjustment to the department's budget.)

Appendix B – General Fund Expenditures

Administrative Services – A proposed increase in the budget for contract services is necessitated by the additional use of a data base programmer (\$20,000) to assist staff in providing a reliable interface procedure between the City's bi-weekly payroll process and the general ledger. The previous interface process entailed a downloading and conversion of several data bases; the process was not well-understood, and was cumbersome and time-consuming for staff. The costs of extra services from ADP to assist in establishing the proper coding in order to adapt the State's pension reforms will add an additional \$20,000 to the budget amendment. Also in this category is a needed adjustment to increase legal services for the Successor Agency Oversight Board (\$15,000), as these costs were higher than anticipated. Legal costs are considered an administrative cost to be borne by the Successor Agency. Finally, funding for the City Branding project has been moved from Community Services to the Administrative Services Department (\$30,000).

Personnel costs will be higher than initially anticipated with the addition of an FTE, which will be utilized in the City Manager's department. As the FTE was transferred with a reclassification from the Police Department, total FTE for the City remains unchanged. The amount of the increase (\$30,000) is for the last quarter of the fiscal year only, as the position has not yet been filled. In addition, accrued vacation costs (\$50,000) have been increased for the department; this is simply a reallocation of funding for earned leave payouts for retiring or otherwise terminating employees. The City-wide budget for accrued vacation has not changed.

Payroll Processing/HR System - Due to transitions within the department and the myriad of regulatory changes in public employee compensation, benefits and reporting requirements, Finance and Human Resources staff have struggled in recent months with the processing of timely payroll and benefit reports. Difficulty in producing accurate responses to public information requests regarding compensation has added to the problem, precluding efficient use of the payroll data and the preparation of timely financial and personnel reports. The current payroll system has not been updated in over 10 years and does not provide direct integration to the City's general ledger accounting system. Currently, it takes Finance staff an inordinate amount of time to manually perform all the tasks needed for complete payroll processing and the transfer of data from the payroll system to the general ledger system. After updating, the process will be a matter of a few commands to the automated system.

In addition, having the ADP Human Resource system fully integrated with the ADP payroll system will allow the HR staff to efficiently provide both detailed and comprehensive compensation and benefit information for analysis and release in a timelier manner. (Due to the number of non-integrated systems in use - a combination of access data bases and excel spreadsheets - reports that could take minutes to produce currently take many hours of staff time.)

The update also includes electronic time cards and the use of time clock kiosks for individual employees to not only electronically record their work time but also provide access for them to view their individual time and attendance records.

The one-time charge to implement the upgrade of the ADP system is \$49,800. However, there is available from ADP a zero-interest payment plan based on \$2,075 per month for 24 months. Current budget levels should provide sufficient funding to initiate the upgrade process in the current fiscal year. Staff recommends proceeding immediately with the upgrade, not only to avert further delays in payroll data collection, but to advance and facilitate the ultimate implementation of the Integrated ERP System project as reflected in the revised 5-year CIP (2013-18). The operating budget for subsequent fiscal years will also need to be increased to accommodate the annual reoccurring ADP cost for payroll processing of \$107,000 (\$8,900 per month) and human resource management of \$56,000 (\$4,700) for the updated systems.

If approved, the upgrade process will take between approximately 18 weeks for full implementation and should be ready for full use by this September if sufficient internal resources are available to dedicate to this project.

Community Development – A sustained increase in development permit activity requires a budget revision of \$175,000 for plan check services, for a total budget of \$478,000. Plan check responsibilities are shared by the Building and Engineering Divisions. The increase in this contract services expenditure reflects plan check submittals for several large projects as well as a general increase in building permit submittals. In particular, large projects such as the residential project at 389 El Camino Real, mixed use project at 1460 El Camino Real and mixed use project at 702 Oak Grove Avenue as well as the anticipated filing of an application for Facebook West will have a particularly significant impact on both the revenues and expenditures. Staff projects that plan check and inspection revenues will increase by \$198,500 in the fiscal year for a total of \$2,064,500. Plan check fees are set to fully recover the cost of providing the service by both regular full time staff and contract services; the increase in revenues for plan check and inspection services are included in both Charges for Services and Licenses and Permits. The increased expenditure for contract services will enable staff to continue the current service level for plan review.

Community Services – The Community Services Department continues to make progress on increasing efficiencies and improving cost recovery as the year progresses. The new recreation facilities (Arrillaga Gymnasium, Recreation Center and Gymnastics Center) continue to see a significant increase in participation in the various program offerings and facility rentals. There are some corresponding increases in expenses for new equipment, such as additional mats and spotting equipment for the Gymnastics Center (\$25,000) and supplies (\$7,000) offset somewhat by reduced utility cost projections (\$8,000) for the new and more efficient building. Additional contract instructor payments (and increases in equipment for the new facilities) are also included in the midyear adjustments. However, overall, the revenues for the three new facilities are increasing more than originally projected contributing to an increase in the overall cost recovery for the entire Community Services Department. Additional funding for janitorial services and trash collection of \$6,000 is also included in the Community

Services Department budget adjustments to accommodate new service needs created by the additional facilities now open at Hillview School. These expenses are anticipated to be largely offset by increases in revenue related to fees charged for use of the new field.

The Menlo Children's Center preschool program revenue projections will be increased for the mid-year based on increased enrollment and the return of the toddler program in 2012. In addition, MCC made several incremental decreases to expenses to help maintain their high cost recovery.

The Belle Haven Child Development Center (BHCDC) funding from the State was reduced this year by approximately \$130,000. However, several cost saving measures were taken to help offset this reduction in revenue including approximately \$40,000 in reductions to food, temporary staff, contract services, and other expenses. In addition, there will be other staff salary savings at BHCDC because two staff vacancies were not filled with the closure of Classroom 4. These FTEs have been utilized at the new Arrillaga facilities to help address the increased programming and facilities hours at those programs.

With the recent tragedy at the Sandy Hook Elementary School, the two preschool facilities will be investing in increased security measures including: video cameras, keyless entry systems, and blinds. These security measures were based on the recommendations from the Menlo Park Police Department. Increases in expenses for this equipment are offset by decreases to other expenses within these program budgets.

The Belle Haven After School Program has made a several reductions in expenses to continue to help increase the program's cost recovery, as directed by Council for this fiscal year. Other strategies such as fee increases and staffing will be considered for next fiscal year to help reach this program's target of 30% cost recovery.

Additional funding has been allocated for utilities at the Belle Haven pool in order to support several opportunities that will move the City closer to the goal of keeping that pool open year round. Given Menlo Swim and Sports' addition of Brenda Villa to their team, with the intent of starting a women's water polo program in Belle Haven, as well as a pending agreement to provide lap, Masters, and adult swim lessons at Belle Haven to handle overflow from Burgess as well as Facebook employees, the City has agreed to pay for the electric and gas utilities for the Belle Haven Pool during March 1, 2013 through June 1, 2013. Menlo Swim and Sports lease with the City requires them to pay all expenses of the pool during the summer months. It is anticipated that next year's budget proposal will also include support for utilities beginning September 1, 2013 through March 31, 2014. The City's contribution will not exceed \$6,500 per month and any profit made by Menlo Swim and Sport from the aquatics programs or rentals at Belle Haven will reduce the City's contribution for the subsequent month's utility bill.

In exchange for this additional support, Menlo Swim and Sport will provide a minimum of 40 hours of aquatics programming per week at Belle Haven pool and any utilities costs above \$6,500 per month. Menlo Swim and Sport will also provide full financial

transparency through providing the Community Services Department monthly financial statements of all revenues and expenses by the 15th of the following month.

City Branding Initiative - To more accurately reflect the change in the scope of this project to include a City-wide branding effort - rather than the previous focus on the Community Services Department only and in alignment with Council goals - staff has transferred funds originally allocated for this purpose in the Community Services Department budget to the Community Engagement budget. Beginning this fall, this effort was amended to include a re-branding initiative for the entire organization that will include two phases: Phase 1 (included in the department's current year budget), provides for a revision / update of the City Logo and creation of a Tag Line, and creation of a second tier logo family to differentiate departments, along with color options. Phase 1 also includes creation of a formal document that specifies organizational design guidelines including font types, color schemes and logo specifications for each department and division.

Phase 2 of the branding effort, to be requested for funding in FY 13-14, will include updating and creating external marketing materials based on the new logo and graphic standards, along with preparation for a complete web site redesign.

Housing Programs – Costs of the City's Housing Division, previously funded from redevelopment tax increment revenues, are now included in the Community Services Department's General Fund budget. Affordable housing activities have been wound down to accommodate the elimination of the Housing Division staff, with \$36,500 provided in the Below Market Rate Fund for the contract with Palo Alto Housing Corporation for management of that housing program. A midyear budget increase of \$2,500 is needed to provide funding for the new contract with Hello Housing, which will manage the City's current portfolio of housing loans (rehab, PAL, and emergency repair loans). The annual cost of these services is approximately \$6,000. The department's General Fund budget now also includes funding for several housing non-profits which were formerly supported by redevelopment funds, as previously directed by Council.

Library – No midyear changes are recommended for the Library's General Fund expenditure budget. The department continues to operate within the expenditure budgets in materials, supplies and temporary staffing that were established with the adopted budget.

Police – The only mid-year adjustments proposed for the Police Department is to reflect the use of budgetary savings (largely from vacancies) to fund an increase in expenditures for overtime and temporary help. Positions that were vacant for at least a portion of the current fiscal year include a Police Officer, a Code Enforcement Officer, a Community Services Officer, and a Commander. In addition, the Management Analyst position was held vacant for most of the fiscal year; the position has been eliminated from the department's organizational chart. The department's expense for accrued vacation was also adjusted to reflect a lower number of retirements and leave payouts. In all, over \$460,000 in salary and benefit savings are anticipated. A reduction of approximately \$60,000 in personnel costs is anticipated in Dispatch Services: with a general

stabilization in dispatch personnel since the expiration of the San Carlos contract, the schedule change from a 12 hour to 10 hour shift, along with a utilization of per diem dispatchers, have combined to lower overall personnel costs.

Offsetting these savings somewhat is an increase in overtime (\$100,000) and temporary help (\$52,000). The additional expense in these areas was due to an increase in the number of employees out on leave with work injuries at a time when an uptick in gang-related shootings required a homicide investigation and intensified public safety response.

Public Works – As previously stated, the budget for Contract Services in the Public Works Department needs to be increased by \$180,000 in order to provide review and inspection service for two major pipeline projects, (\$120,000) for Pacific Gas & Electric (PG&E) pipeline on Sandhill Road and Branner Drive and (\$60,000) for the San Francisco Public Utility Commission (SFPUC) Bay Division pipeline #5. The City will be 100% reimbursed for these costs as reflected in the Charges for Services category. Funding in Contract Services is also needed for consultant services (\$8,000) for a Renewable Energy Project. The consultant will evaluate the potential (and appropriate vendors) for the installation of renewable power at City facilities. The project will be presented to Council later this fiscal year. The department will also require \$10,000 of additional funding for the costs associated with the Terminal Avenue sale to Beechwood School (review of the agreement and mapping components of the property), and an increase of \$4,000 for additional janitorial services at the Library. Finally, a deposit of \$15,000 is needed for the California Solar Incentive program. Staff will apply for the program in April.

General Fund Personnel Savings

The challenge of any public sector agency is to provide competitive salary and benefit packages in order to recruit and retain quality talent, while keeping the cost of providing these packages at a reasonable and sustainable level. Negotiated or imposed contracts in recent years on all labor groups have resulted in significant savings, and have helped achieve structural benefit changes that will help control future employee benefit costs. Frozen salary schedules were assumed in the current year's adopted budget; all employees are now paying a portion of the employer's retirement rate in addition to the employees' rate, as well as a larger portion of their health care plans. Provisions for the accrual and use of sick leave have been tightened, and the retiree health credit system has been eliminated for new hires. Most of these savings are evident in recent year budgets, but many of the savings will not be realized in full for many years.

Part of the changes in personnel costs represent a reallocation of accrued vacation costs. These costs are difficult to anticipate in the annual budget, as it is largely uncertain where in the organization large payouts of earned leave may be required. Though this General Fund expense is unchanged in total, the Police Department budget for accrued vacation has been decreased \$50,000, with an offsetting increase in Administrative Services.

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
ADOPTING THE ATTACHED 2012-13 BUDGET REVISIONS TO EFFECT
MIDYEAR ADJUSTMENTS**

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

NOW BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby approve the adjustments to the 2012-13 Operating Budget as outlined below, as recommended to reflect actual fiscal conditions and projections discussed in the Midyear Report:

General Fund

Revenues:

195,000	Property Tax
(50,000)	Sales Tax
(15,000)	Utility Users'
80,000	Licenses and Permits (Community Development)
(20,000)	Licenses and Permits (Administrative Services)
(128,133)	Inter governmental Revenue (Community Services)
(43,800)	Fines – Redflex (Police)
(50,000)	Fines – Violations (Police)
(18,000)	Rental Income
433,146	Charges for Services (Community Services)
(63,000)	Charges for Services (Police)
118,500	Charges for Services (Community Development)
221,000	Charges for Services (Public Works)
2,000	Donations (Community Services)

Expenditures:

(325,080)	Personnel (Police)
25,000	Operating Expense (Police)
217,000	Services (Public Works)
(46,200)	Personnel (Community Services)
(13,315)	Services (Community Services)
65,058	Operating Expense (Community Services)
175,000	Services (Community Development)
35,000	Operating Expense (Community Development)
110,000	Personnel (Administrative Services)
93,000	Services (Administrative Services)
(7,423)	Operating Expense (Administrative Services)

333,673 Total Net Surplus, General Fund

Other Funds

710	<u>Traffic Impact Fees</u>		
	Revenues:	140,000	Charges for Services
753	<u>Garbage Service Fund</u>		
	Revenues:	39,553	Charges for Services
	Expenditures	15,123	Operating Expense
754	<u>Bedwell Bayfront Park Landfill</u>		
	Revenues:	(15,000)	Rental Income
		50,000	Charges for Services
758	<u>Downtown Parking Permit Fund</u>		
	Revenues:	30,000	Licenses and Permits
834	<u>Measure A</u>		
	Revenues:	80,000	Sales Tax
		125,750	Intergovernmental Revenue
	Expenditures:	125,750	Operating Expenses
841	<u>Storm Water Mgnt. Fund</u>		
	Revenues:	6,000	Charges for Services
843	<u>Construction Impact Fee</u>		
	Revenues:	120,000	Charges for Services
851	<u>General Fund - CIP</u>		
	Revenues:	500,000	Intergovernmental Revenue
		1,583,000	Charges for Services
	Expenditures:	(348,941)	Operating Expenses
		890,000	Services

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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 this twenty-sixth day of March, 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-sixth day of March, 2013.

Margaret S. Roberts, MMC
City Clerk

Revenue Categories	Adjusted Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024
Property Taxes	\$13,853,000 (2)	\$14,490,710 (2)	\$15,103,983	\$15,708,143	\$16,336,468	\$16,989,927	\$17,669,524	\$18,376,305	\$19,111,357	\$19,875,812	\$20,670,844	\$21,497,678
Sales Tax	6,280,000 (3)	6,322,200	6,575,088	6,838,092	7,111,615	7,396,080	7,691,923	7,999,600	8,319,584	8,652,367	8,998,462	9,358,400
Transient Occupancy Tax	(4) 3,326,000	(4) 3,725,120	3,874,125	4,029,090	4,190,253	4,357,864	4,532,178	4,713,465	4,902,004	5,098,084	5,302,007	5,514,088
Utility Users' Tax	1,165,499 (5)	1,194,036	1,240,838	1,289,511	1,340,132	1,392,777	1,447,528	1,504,469	1,563,688	1,625,276	1,689,327	1,755,940
Franchise Fees	1,873,500	1,948,440	2,026,378	2,107,433	2,191,730	2,279,399	2,370,575	2,465,398	2,564,014	2,666,575	2,773,238	2,884,167
Licenses and Permit (6)	4,326,465	4,467,527	4,614,218	4,766,765	4,925,400	5,190,073	5,361,576	5,539,928	5,725,403	5,918,287	6,218,474	6,427,202
Intergovernmental Revenue	838,130	871,655	906,521	942,782	980,494	1,019,713	1,060,502	1,102,922	1,147,039	1,192,920	1,240,637	1,290,263
Fines & Forfeitures	991,400	1,031,056	1,072,298	1,115,190	1,159,798	1,206,190	1,254,437	1,304,615	1,356,799	1,411,071	1,467,514	1,526,215
Interest & Rent Income	752,018 (7)	766,499 (7)	849,059 (7)	942,346	982,440	1,024,137	1,067,503	1,112,603	1,159,507	1,208,287	1,259,019	1,311,780
Charges for Services	7,080,246	7,350,453	7,631,404	7,923,527	8,227,270	8,543,096	8,871,489	9,212,951	9,568,005	9,937,193	10,321,082	10,733,925
Donations	31,050	32,292	33,584	34,927	36,324	37,777	39,288	40,860	42,494	44,194	45,962	47,800
Other Financing Sources	389,074	404,636	420,821	437,654	455,160	473,367	492,301	511,994	532,473	553,772	575,923	598,960
Total Revenues	\$ 40,906,382	\$ 42,604,625	\$ 44,348,317	\$ 46,135,460	\$ 47,937,084	\$ 49,910,400	\$ 51,858,825	\$ 53,885,110	\$ 55,992,368	\$ 58,183,839	\$ 60,562,488	\$ 62,946,417
Expenditure Categories												
Salaries and Wages	\$20,400,319 (8)	\$21,287,733 (8)	\$21,926,365	\$22,803,419	\$23,715,556	\$24,664,178	\$25,650,746	\$26,676,775	\$27,743,846	\$28,853,600	\$30,007,744	\$31,208,054
Benefits	7,886,634 (9)	8,659,524 (9)	9,157,447 (9)	9,523,745	9,904,694	10,300,882	10,712,917	11,141,434	11,587,092	12,050,575	12,532,598	13,033,902
Operating Expense	3,070,986 (10)	3,113,980	3,238,539	3,368,081	3,502,804	3,642,916	3,788,633	3,940,178	4,097,785	4,261,696	4,432,164	4,609,451
Utilities	1,176,516	1,202,988	1,251,107	1,301,151	1,353,197	1,407,325	1,463,618	1,522,163	1,583,050	1,646,372	1,712,226	1,780,716
Services	3,917,937 (10)	3,271,477	3,402,336	3,538,430	3,679,967	3,827,166	3,980,252	4,139,463	4,305,041	4,477,243	4,656,332	4,842,586
Fixed Assets and Capital Outlay	419,271 (10)	293,490	305,229	317,438	330,136	343,341	357,075	371,358	386,212	401,661	417,727	434,436
Travel	59,480	61,859	64,334	66,907	69,583	72,367	75,261	78,272	81,402	84,659	88,045	91,567
Repairs and Maintenance	908,588 (10)	901,774	937,845	975,358	1,014,373	1,054,948	1,097,145	1,141,031	1,186,673	1,234,139	1,283,505	1,334,845
Special Projects Expenditures	369,455	384,233	399,603	415,587	432,210	449,498	467,478	486,178	505,625	525,850	546,884	568,759
Capital and Transfers Out	2,464,328	2,562,901	2,665,417	2,772,034	2,882,915	2,998,232	3,118,161	3,242,888	3,372,603	3,507,507	3,647,807	3,793,720
Total Expenditures	\$40,673,514	\$41,739,959	\$43,348,221	\$45,082,150	\$46,885,436	\$48,760,854	\$50,711,288	\$52,739,739	\$54,849,329	\$57,043,302	\$59,325,034	\$61,698,035
Total Impact to Fund Balance	\$232,868	\$ 864,666	\$1,000,096	\$1,053,310	\$1,051,648	\$1,149,547	\$1,147,538	\$1,145,371	\$1,143,039	\$1,140,537	\$1,237,454	\$1,248,381

Notes to 10-year Forecast:

- ⁽¹⁾ Revenues and expenditures are generally anticipated to grow by inflation of 4% unless otherwise indicated.
- ⁽²⁾ Property Tax increases 4.6% in 2013-14 and 4.5% by 2014-15; Facebook tenant improvements complete by 2014-15
- ⁽³⁾ Sales Tax to grow 3% in 2013-14; 4% growth thereafter.
- ⁽⁴⁾ Assumes TOT rate increase January 2013 from 10% to 12%; 2013-14 full year at 12% tax rate.
- ⁽⁵⁾ Assumes 1% UUT tax rate on all utilities; 2.5% increase in 2013-14. Assumes no change on UUT tax cap payers.
- ⁽⁶⁾ Licenses and Permits include annual payments from Facebook: \$800,000 thru 2017; \$900,000 thru 2022; \$1 Million beginning 2023.
- ⁽⁷⁾ Portfolio earnings recover slowly 2013-14 0%; yields growing 15% each year by 2015-16.
- ⁽⁸⁾ Salaries & Wages up 3% thru 2014-15; includes reclassifications.
- ⁽⁹⁾ CalPERS rate increases assumed through 2016.
- ⁽¹⁰⁾ Operating expenses and services reduced for encumbrances and one-time purposes; grow 4% thereafter.



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: March 26, 2013
Staff Report #: 13-043

Agenda Item #: F-2

REGULAR BUSINESS: Consider a Request for Architectural Control, License Agreement and Encroachment Permit, and Heritage Tree Removal Permits for a Proposed Limited-Service, Business-Oriented Hotel at 555 Glenwood Avenue

RECOMMENDATION

Staff recommends that the City Council concur with the recommendation of the Planning Commission and approve the following actions associated with a proposed limited-service, business-oriented hotel at 555 Glenwood Avenue:

1. **Make California Environmental Quality Act (CEQA) Findings** that the proposal is within the scope of the project covered by the El Camino Real/Downtown Specific Plan Program EIR;
2. **Approve Architectural Control** for the proposed exterior changes and the application of a Public Benefit Bonus for a Floor Area Ratio (FAR) of 1.16 (where 1.10 is the Base level FAR maximum and 1.50 is the Public Benefit Bonus level FAR maximum) in recognition of the hotel use's Transient Occupancy Tax (TOT) revenue;
3. **Approve a License Agreement and Encroachment Permit** for the use of on-street parking spaces along Garwood Way for required parking; and
4. **Adopt a Resolution Approving Heritage Tree Removal Permits** for three trees on the project site.

The full recommended findings, actions, and conditions for approval are included as Attachment A.

BACKGROUND

In April and May 1987, the City Council approved a Planned Development (P-D) permit and associated P-D(3) district rezoning for a 138-room senior citizens retirement living center on a 2.25-acre site at 555 Glenwood Avenue. The P-D permit established a maximum gross floor area of 113,803 square feet, which represents a Floor Area Ratio (FAR) of approximately 1.16. In addition, the P-D permit required that the development provide "off-street parking for 82 vehicles and provide for additional parking on Garwood

Way per Engineering Division requirements.” The Planning Commission subsequently approved precise development plans in August 1987, and the development was constructed between 1988 and 1990. The development consists of a central one-story building containing communal spaces (such as the lobby, dining, and office areas), surrounded by three-story buildings that contain the individual rooms.

The property has since been in use as a privately owned and operated senior residential facility, branded initially as the “Glenwood Inn” and renamed more recently to “Casa on the Peninsula.” The facility is age-restricted to seniors and provides independent and assisted living options, but is not a skilled nursing facility that provides specialized medical care. Casa on the Peninsula provides a market-rate housing option for seniors (as opposed to subsidized affordable housing).

In June 2012, the City Council approved the El Camino Real/Downtown Specific Plan (“Specific Plan”), which rezoned the subject property from P-D(3) to a new SP-ECR/D zoning district. The Specific Plan established that existing discretionary approvals (such as P-D permits) for developments in the SP-ECR/D district will continue to be honored and enforced, but properties may elect to proceed with new or modified development in accordance with Specific Plan regulations. Within the Specific Plan, the 555 Glenwood Avenue parcel is in the El Camino Real Mixed Use/Residential land use designation and the ECR NE-R zoning district.

On October 30, 2012, the City Council held a study session to provide initial feedback on the potential conversion of 555 Glenwood Avenue to a hotel use. The applicant, Sand Hill Property Company, currently owns and operates a hotel similar to the proposed facility (“Marriott Residence Inn Palo Alto Los Altos,” in Los Altos). The applicant does not currently own or operate the subject property, but is in contract to purchase it from the current owner and business operator. The current owner has initiated the process to close the facility, and will be required to follow State procedures regarding resident relocation. At the October 30 meeting, the Council did not make any motions or other group actions, but the Council Members’ individual feedback has been considered by the applicant and staff as the project review has proceeded.

On March 4, 2013, the Planning Commission reviewed the formal request to modify the existing senior citizens retirement living center into a limited-service, business-oriented hotel in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. At this meeting, the Commission made two separate actions:

1. Recommend that the City Council approve the CEQA findings, architectural control findings, architectural control conditions of approval, and resolution to approve heritage tree removal permits with the following guidance; 6-0-1 with Commissioner Onken abstaining:
 - The Planning Commission recommends that the City Council prioritize the use of the new Transient Occupancy Tax (TOT) revenue associated with the proposal to fund infrastructure projects, in particular circulation improvements, within the El Camino Real/Downtown Specific Plan area.

2. Recommend that the City Council approve the license agreement and encroachment permit with the following modification; 6-1 with Commissioner Onken opposed:
 - The license agreement and encroachment permit should contain a mechanism that, after a period of five years, would require the payment of a fair market rent for the 39 parking spaces on Garwood Way.

ANALYSIS

A complete discussion of the project proposal, requested land use entitlements and other actions is included in the Planning Commission staff report dated February 25, 2013, which is included as Attachment H. The associated excerpt minutes are included as Attachment I. What follows is a discussion of the Planning Commission's direction, as well as a minor comment initiated by staff. No changes have been made to the project plans (Attachment K) or project description letter (Attachment L).

Use of TOT Revenues for Specific Plan Infrastructure Projects

As noted above, the Planning Commission has recommended that the City Council prioritize the use of the new Transient Occupancy Tax (TOT) revenue associated with the proposal to fund infrastructure projects, in particular circulation improvements, within the El Camino Real/Downtown Specific Plan area. Staff noted at the March 4, 2013 Planning Commission meeting that TOT revenues are collected per procedures outlined by the State and the City's Municipal Code, and by default are deposited into the City's General Fund.

In general, staff believes that there could be advantages to proactively initiating Specific Plan area infrastructure projects, and that the TOT revenue associated with the proposal could provide a useful revenue source. However, at this point, staff does not recommend that the City Council conduct any particular action with regard to how the proposal's projected TOT revenue will be used in the future. Staff believes that infrastructure decisions should be made on a comprehensive, city-wide basis, and should take into account how needs and opportunities can change over time. In addition, TOT revenues will likely fluctuate from year to year, making it difficult to precisely plan expenditures in advance. Staff recommends the Council consider the Planning Commission's recommendation during each yearly review of the Capital Improvement Plan (CIP), but not commit at this time to directing the proposal's TOT revenue to particular project categories.

License Agreement and Encroachment Permit Modifications

In response to the Planning Commission's direction to incorporate a requirement for fair market rent for the Garwood Way parking spaces after a period of five years, the City Attorney has negotiated changes to the proposed license agreement and encroachment permit, the revised version of which is included as Attachment F. Specifically, new clause 4(a)(vii) states that the City shall have the right after five years to impose rent in

an amount equal to the Fair Rental Value for the exclusive use of the Parking Area going forward on a monthly basis. In the event that the City and the project sponsor are not able to agree on the Fair Rental Value, the clause provides typical procedures for determining it, including the potential use of arbitration. As with other parts of the proposed agreement, if total TOT revenues are greater than \$700,000, this provision would not apply, since the City would then be receiving revenue well in excess of the projections. It is the applicant's position that if the Hotel is generating TOT revenues to the City in excess of \$700,000, the City is being generously compensated for the use of the parking area and no additional payments should be required. In addition, if clause 4(a)(vii) becomes effective, other potential payments related to TOT performance would not apply, in order to avoid duplicate penalties. As noted in the Planning Commission staff report, the proposed agreement is intended to strike a balance between representing the City's revenue interests and being acceptable to commercial lending entities that finance property purchase and conversion projects such as the subject application.

Garwood Way Extension

As noted in the Planning Commission staff report, the City has an adopted plan line to extend Garwood Way to Oak Grove Avenue, although there are no immediately pending plans to implement this extension. This future through street is planned as a Class III bicycle route, which features shared use of travel lanes by bicycles and cars. At the March 4 meeting, public comments were made regarding the potential effects of the proposed license agreement on the future bicycle route. Although this topic didn't result in any Planning Commission direction, staff would like to note that bicycle access would not be affected by the proposal, as the agreement for exclusive use would only apply to the parking spaces on the sides of the roadway. Unless the City Council directs future changes to the Garwood Way plan line, through access for cars, bicycles, and pedestrians would be preserved, and the shared bicycle route could be implemented without changes.

IMPACT ON CITY RESOURCES

For the review of the proposal, the applicant has submitted a deposit for the study session and subsequent meetings, and is required to pay for staff time above and beyond that deposit, for full cost recovery.

For the ongoing proposed use of the site, the applicant's limited economic benefit review (Attachment M) concludes that the proposal would generate substantially more revenue to the General Fund than does the existing use, primarily due to new TOT revenues. Specifically, the applicant's analysis projects that the hotel use would increase annual revenues from the property by approximately \$669,000. Of this amount, approximately \$656,000 would be from TOT, collected at the 12 percent rate that was approved by Menlo Park voters as part of the November 6, 2012 general election. The City's independent peer review (Attachment N) found the overall methodology of the applicant's analysis appropriate, and also found that an independent market

assessment shows strong potential demand for the proposed use. The peer review does note that the applicant's analysis is based on the current market conditions (primarily 2011 data from the applicant's Los Altos hotel facility) and that longer-term regional trends could potentially result in reduced revenues. However, a conservative alternative TOT calculation, provided in the independent peer review for comparison purposes, still projects significant annual TOT revenues (\$616,000, or a six-percent reduction compared to the applicant's analysis).

POLICY ISSUES

The El Camino Real/Downtown Specific Plan provides the regulations and guidelines for the development of the 555 Glenwood Avenue property. As noted in the Planning Commission staff report, hotel uses are permitted in the El Camino Real Mixed Use/Residential land use designation. The Specific Plan features a two-tier density/intensity system, in which uses that exceed the Base level dwelling units per acre and/or Floor Area Ratio (FAR) standards are required to pursue a discretionary Public Benefit Bonus process. Staff believes that the revenue increase associated with the proposal would be a substantial public benefit to the City. Although the Public Benefit Bonus review is conducted on a case-by-case basis, hotel facilities are explicitly called out by the Specific Plan as a suggested consideration for such a bonus because of their inherent revenue and vibrancy benefits. In addition, the FAR level that is being requested is 1.16, which would represent only a 5.5 percent increase above the 1.10 Base level. This level would also be well below the maximum 1.50 Public Benefit Bonus level. Staff believes that the benefits to the City (even assuming the alternative TOT calculation projection) would be an appropriate justification for the Public Benefit Bonus.

With regard to the use of Garwood Way for required parking, staff believes that the provision of required parking in the public right-of-way is uniquely justified in this case by the revenue-generating characteristics of the hotel use, and the fact that the use would not be feasible at this time without such dedicated parking. In addition, while the historical development and use of these spaces with the existing use is not considered a legal basis for continued dedicated parking use, they are also unique factors partially justifying the proposed license agreement, and would be factors not applicable to other properties. The proposed TOT requirements in the approval actions and the license agreement and encroachment permit would ensure certain minimum levels of revenue, and the agreement would not preclude alternate parking arrangements, which may be more preferable in the future.

ENVIRONMENTAL REVIEW

The Specific Plan process included detailed review of projected environmental impacts through a program Environmental Impact Report (EIR), as required by the California Environmental Quality Act (CEQA). In compliance with CEQA requirements, the Draft EIR was released in April 2011, with a public comment period that closed in June 2011. The Final EIR, incorporating responses to Draft EIR comments, as well as text changes

to parts of the Draft EIR itself, was released in April 2012, and certified along with the final Plan approvals in June 2012.

The Specific Plan EIR identifies no impacts or less-than-significant impacts in the following categories: Aesthetic Resources; Geology and Soils; Hydrology and Water Quality; Land Use Planning and Policies; Population and Housing; and Public Services and Utilities. The EIR identifies potentially significant environmental effects that, with mitigation, would be less than significant in the following categories: Biological Resources; Cultural Resources; Hazards and Hazardous Materials. The EIR identifies potentially significant environmental effects that will remain significant and unavoidable in the following categories: Air Quality; Greenhouse Gases and Climate Change; Noise; and Transportation, Circulation and Parking. The Final EIR actions included adoption of a Statement of Overriding Considerations, which is a specific finding that the project includes substantial benefits that outweighs its significant, adverse environmental impact.

As specified in the Specific Plan EIR and the CEQA Guidelines, program EIRs provide the initial framework for review of discrete projects. In particular, projects of the scale of the 555 Glenwood Avenue proposal are required to be analyzed with regard to whether they would have impacts not examined in the Program EIR. This conformance checklist, which analyzes the project in relation to each environmental category in appropriate detail, is included as Attachment B. The checklist is informed by a Traffic Impact Analysis (TIA) prepared by the applicant (Attachment C), which was the subject of an independent City peer review (Attachment D). The City Council should note that similar conformance checklists for other projects may differ in format and detail, depending on the attributes of such projects.

As detailed in the conformance checklist presented above, the proposed project would not result in greater impacts than were identified for the Program EIR. Relevant mitigation measures have been applied and would be adopted as part of the Mitigation Monitoring and Reporting Program (MMRP), which is included as Attachment E. No new impacts have been identified and no new mitigation measures are required for the proposed project.

Specific Plan Maximum Allowable Development

Per Section G.3, the Specific Plan establishes the maximum allowable net new development as follows:

- Residential uses: 680 units; and
- Non-residential uses, including retail, office and hotel: 474,000 square feet.

These totals are intended to reflect likely development over the Specific Plan's intended 20- to 30-year timeframe. As noted in the plan, development in excess of these thresholds will require amending the Specific Plan and conducting additional environmental review.

The 555 Glenwood Avenue proposal would not create any new square footage in order to convert the existing senior citizens retirement living center into a new 138-room hotel. However, the net new vehicle trips associated with the conversion, which is of direct relevance to traffic analysis and affects other impact categories (e.g., air quality and noise), can be considered equivalent to a new 87-room hotel, which can be approximated as a net increase of 71,921 square feet of commercial square footage. As such, the 555 Glenwood Avenue proposal would represent 15 percent of the non-residential uses for the overall Specific Plan (note: per Section G.3, the non-residential development is not segmented by use). If the project is approved and implemented, this amount would be deducted from the Maximum Allowable Development in the Plan area.

Thomas Rogers
Senior Planner

Arlinda Heineck
Community Development Director

PUBLIC NOTICE

Public notification consisted of publishing a notice in the local newspaper and notification by mail of owners and occupants within a 300-foot radius of the subject property. 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/projects/comdev_555glenwood.htm

ATTACHMENTS

- A. Draft Findings, Actions, and Conditions for Approval
- B. Draft El Camino Real/Downtown Specific Plan Program EIR Conformance Checklist – 555 Glenwood Avenue Project
- C. Results of Preliminary Parking and Traffic Impact Analysis of Proposed Marriott Residence Inn at 555 Glenwood Avenue in Menlo Park – TJKM – February 26, 2013 [Note: appendices not included due to length, but available for review on the project page and at City offices]
- D. Review of 555 Glenwood Avenue Traffic Analysis – W-Trans – February 27, 2013
- E. Mitigation Monitoring and Reporting Program (MMRP)
- F. Draft License Agreement and Encroachment Permit for Use of Parking Spaces
- G. Draft Resolution of the City of Menlo Park to Approve the Heritage Tree Removal Permits
- H. Planning Commission Staff Report, dated February 25, 2013, without attachments
- I. Planning Commission Meeting Excerpt Minutes, dated February 25, 2013
- J. Location Map

- K. Project Plans
- L. Project Description Letter
- M. Limited Economic Benefit Review - Conley Consulting Group – October 3, 2012 and January 18, 2013
- N. Limited Market Analysis and Peer Review – BAE Urban Economics – February 19, 2013

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**555 Glenwood Avenue
Draft Findings, Actions, and Conditions for Approval
March 26, 2013**

1. Make findings with regard to the California Environmental Quality Act (CEQA) that the proposal is within the scope of the project covered by the El Camino Real/Downtown Specific Plan Program EIR, which was certified on June 5, 2012. Specifically, make findings that:
 - a. A checklist has been prepared detailing that no new effects could occur and no new mitigation measures would be required (Attachment B, including Attachments C and D by reference).
 - b. Relevant mitigation measures have been incorporated into the project through the Mitigation Monitoring and Reporting Program (Attachment E), which is approved as part of this finding.
 - c. Upon completion of project improvements, the Specific Plan Maximum Allowable Development non-residential use total will be reduced by 71,921 square feet, accounting for the project's share of the Plan's overall projected development and associated impacts.
2. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
 - e. The development is consistent with the El Camino Real/Downtown Specific Plan. In particular:
 - i. The relatively modest exterior changes would comply with relevant design standards and guidelines.
 - ii. The hotel use's Transient Occupancy Tax (TOT) revenue would justify the application of a Public Benefit Bonus for a Floor Area

Ratio (FAR) of 1.16, which is above the 1.10 Base level FAR but well below the Public Benefit Bonus maximum level of 1.50 FAR. Minimum levels of TOT would be ensured by condition 5a.

3. Approve the architectural control request subject to the following ***standard*** conditions of approval:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Stantec, dated received February 25, 2013, consisting of eight plan sheets and approved by the City Council on March 26, 2013, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. The applicant shall comply with all West Bay Sanitary District, Menlo Park Fire Protection District, and utility companies regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions. Landscaping shall properly screen all utility equipment that is installed outside of a building and that cannot be placed underground. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
 - e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for the review and approval of the Engineering Division.
 - f. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.
 - g. Prior to building permit issuance, the applicant shall submit proposed landscape and irrigation documentation as required by Chapter 12.44 (Water-Efficient Landscaping) of the City of Menlo Park Municipal Code. If required, the applicant shall submit all parts of the landscape project application as listed in section 12.44.040 of the City of Menlo Park Municipal Code. This plan shall be subject to review and approval by the Planning and Engineering Divisions. The landscaping shall be installed and inspected prior to final inspection of the building.

4. Approve the architectural control request subject to the following ***project-specific, construction-related*** conditions of approval:
 - a. Concurrent with submittal of a complete building permit, the applicant shall submit a frontage improvement plan, showing the construction of a new accessible ramp, where one does not currently exist, at the intersection of Garwood Way and Glenwood Avenue (directly adjacent to the project site, for the direction crossing Garwood Way), subject to review and approval of the Engineering Division. Implementation of this improvement is required to be completed prior to building permit final inspection, subject to review and approval of the Engineering Division.
 - b. Concurrent with submittal of a complete building permit, the applicant shall submit a detailed report describing the full scope of upgrades to the structural and mechanical, electrical and/or plumbing systems, subject to review of the Building Official and Planning Division. If the City determines that the system upgrades are significant, the applicant shall be required to meet the LEED requirements of Specific Plan Standard E.8.03.
 - c. Concurrent with submittal of a complete building permit, the applicant shall submit a comprehensive arborist report, subject to review and approval of the City Arborist and Planning Division. Tree preservation measures shall be integrated into the project plans.
 - d. Concurrent with submittal of a complete building permit, the applicant shall submit a signage and striping plan for the Garwood Way parking spaces, subject to review and approval of the Transportation and Planning Divisions. Implementation of the approved signage and striping is required to be completed prior to building permit final inspection, subject to review and approval of the Transportation and Planning Divisions.

5. Approve the architectural control request subject to the following ***project-specific, ongoing*** conditions of approval:
 - a. The use is subject to review and potential revocation if the hotel use does not provide TOT to the City in a minimum amount of 50 percent of total room occupancy operating revenue for two consecutive years. Specifically, the use would be subject to one of the following options, to be reviewed and determined through a procedure to be established by the Planning Division:
 - i. Payment to the City of an amount equal to the difference between actual TOT and the 50 percent level;
 - ii. Provision of an alternate Public Benefit Bonus, for consideration and action by the Planning Commission;

- iii. Removal of a square footage amount equivalent to the increment between the 1.10 Base level FAR and the 1.16 actual FAR; or
 - iv. Reversion to the previous senior citizens retirement living center use.
 - b. The applicant shall make a good-faith effort to explore the potential of a joint parking arrangement, on commercially reasonable terms, with the owners of the adjacent development site known as 1300 El Camino Real.
6. Approve the license agreement and encroachment permit (Attachment F).
 7. Adopt a Resolution of the City of Menlo Park to approve the heritage tree removal permits (Attachment G).

**555 Glenwood Avenue Project (Marriott Residence Inn)
El Camino Real/Downtown Specific Plan Program EIR – Conformance Checklist**

Introduction

The City of Menlo Park (City) has developed the El Camino Real/Downtown Specific Plan (Specific Plan) to establish a framework for private and public improvements in the Specific Plan area for the next 30 years. The Specific Plan addresses approximately 130 acres and focuses on the character and density of private infill development, the character and extent of enhanced public spaces, and circulation and connectivity improvements. The primary goal of the Specific Plan is to “enhance the community life, character and vitality through mixed use infill projects sensitive to the small-town character of Menlo Park, an expanded public realm, and improved connections across El Camino Real.” The Specific Plan includes objectives, policies, development standards, and design guidelines intended to guide new private development and public space and transportation improvements in the Specific Plan area over the next 30 years. The Plan builds upon the El Camino Real/Downtown Vision Plan that was unanimously accepted by the Menlo Park City Council on July 15, 2008.

On June 5, 2012, the City Council certified the Menlo Park El Camino Real and Downtown Specific Plan Program EIR (Program EIR). According to the Program EIR, the Specific Plan does not propose specific private developments, but establishes a maximum development capacity of 474,000 square feet of non-residential development (inclusive of retail, hotel, and commercial development), and 680 new residential units.

Sand Hill Property Company has submitted an application for a 138-room Marriott Residence Inn (the project). The project site is located at 555 Glenwood Avenue and currently consists of an age-restricted, independent living facility for seniors. The proposed project would renovate this existing independent living facility into a Marriott Residence Inn hotel. The property is part of the Specific Plan area, and as such may be covered by the Program EIR analysis. The intent of this Environmental Conformity Analysis is to determine: 1) whether the proposed project does or does not exceed the environmental impacts analyzed in the Program EIR, 2) whether new impacts have or have not been identified, and 3) whether new mitigation measures are or are not required.

Existing Condition

The subject property is located at 555 Glenwood Avenue, at the corner of Glenwood Avenue and Garwood Way, which is part of the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. Glenwood Avenue is the property’s primary functional frontage, and this report’s references to site orientation use it as the “front.” The adjacent properties are occupied by a variety of commercial uses, including a language school, restaurants, and offices. In addition, the property is adjacent to a large vacant multi-parcel site addressed 1300 El Camino Real, which has approved plans for a mixed-use retail-office development, although construction has not yet commenced and

the property owners have indicated interest in possibly pursuing a revised project. The adjacent parcels are all likewise part of the SP-ECR/D zoning district. Garwood Way in this location is a dead-end street that extends the length of the subject property and the 1300 El Camino Real property. The City has an adopted plan line to extend Garwood Way to Oak Grove Avenue, although there are no immediately-pending plans to implement this extension. Garwood Way is directly adjacent to the Caltrain rail corridor.

The project site consists of one parcel (Assessor's Parcel Number: 061-430-430) of approximately 2.25 acres. The site is currently developed with an age-restricted, independent living facility for seniors, originally approved and constructed with 138 rooms. The development consists of a central one-story building containing public spaces (such as the lobby, dining, and office areas), surrounded by three-story buildings that contain the residential rooms. The square footage totals 113,803 square feet.

As reported by the applicant, the owners of the property have conducted revisions over time, such that the number of units is now 125 (due to some single-bedroom units being combined into two-bedroom units), and the number of on-site parking spaces is 72. The east side of Garwood Way, next to the Caltrain tracks, features 30 perpendicular parking spaces in the public right-of-way, which currently have signage stating they may only be used by the 555 Glenwood Avenue facility. The west side of Garwood Way provides nine parallel parking spaces, which do not feature any signage regarding their use. No parking is permitted on Glenwood Avenue in the immediate vicinity of the development; this street features bicycle lanes on both sides of the roadway, and there does not appear to be room to add any on-street parking.

Proposed Project

The applicant is proposing to convert the existing senior citizens retirement living center into a limited-service, business-oriented hotel. As part of this conversion, the applicant would conduct interior, exterior, and landscaping improvements. In particular, the paint scheme would be updated to subtly accentuate the existing projections and recessed areas, and new natural wood fencing would replace existing painted trellises at the ground level. However, the project would not include the construction of any new floor area. The interior public spaces, located in the central one-story building, would be reconfigured to support the hotel use, with dining, meeting, and computer rooms. The three-story residential buildings would be renovated to provide 138 hotel suites, within the outlines of the 138 rooms that were originally approved.

The project requires architectural control review and approval to conduct the exterior improvements. The architectural control action includes consideration of a Public Benefit Bonus for a Floor Area Ratio (FAR) of 1.16, where 1.10 is the Base level FAR maximum and 1.50 is the Public Benefit Bonus level FAR maximum. The proposal includes the application of the Transportation Manager's discretion to approve a parking rate for a use type not listed in Specific Plan Table F2. The proposal also includes the provision of some required parking on the Garwood Way public right-of-way through a license agreement and encroachment permit. In addition, the proposal includes the

removal of three heritage trees: two ash trees located in courtyards at the middle and right-rear corner of the parcel, and one palm tree located at the rear-left corner of the parcel.

The Planning Commission will act as a recommending body for this proposal, in particular for the architectural control component. The City Council will act comprehensively on all requests associated with the proposal.

Environmental Analysis

As discussed in the Introduction, this comparative analysis has been undertaken to analyze whether the project would have any significant environmental impacts that are not addressed in the Program EIR. The comparative analysis discusses whether impacts are increased, decreased, or unchanged from the conclusions discussed in the Program EIR. The comparative analysis also addresses whether any changes to mitigation measures are required.

As noted previously, the proposal would not create any new square footage in order to convert the existing senior citizens retirement living center into a new 138-room hotel, and for many of the impact categories below, this lack of physical change is of primary relevance. However, the net new vehicle trips (589) associated with the conversion can be considered equivalent to a new 87-room hotel, which can be approximated as a net increase of 71,921 square feet of commercial square footage. This square footage equivalency is applied to traffic-related impact categories below to account for the project's share of the Specific Plan development program. If the project is approved and implemented, this amount would be deducted from the Maximum Allowable Development in the Plan area.

Environmental Analysis

Aesthetic Resources

Impacts would be the same as the Specific Plan. The Program EIR concluded that the project would not have a substantial adverse effect on a scenic view, vista, or designated state scenic highway, nor would the project have significant impacts to the degradation of character/quality, light and glare, or shadows.

Implementation of the proposed project would result in the renovation of the existing structures. The proposed massing and scale of the structures (and associated shadows) would be unchanged relative to the existing condition, as the project would not be increasing the existing lot coverage or floor area and the building heights would remain the same. Further, the existing character of the site would remain similar to existing conditions, as the project would not significantly alter the exterior of the structures and lighting would be similar to the existing lighting experienced at the site. The modest exterior changes that are proposed would generally be consistent with

provisions of the Specific Plan encouraging façade modulation and the use of interesting building materials at the ground level.

As was the case with the Specific Plan, the proposed project would not have a substantial adverse effect on a scenic view or vista, a state scenic highway, character/quality, or light and glare impacts. Therefore, no new impacts have been identified and no new mitigation measures are required for the proposed project.

Agriculture Resources

Impacts would be the same as the Specific Plan. The Program EIR concluded that no impacts would result with regard to Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, or any area zoned for agricultural use or forest land.

As was the case with the Program EIR, the proposed project would not result in any impacts to farmland, agricultural uses, or forest land. Therefore, no new impacts have been identified and no new mitigation measures are required for the proposed project.

Air Quality

Impacts would be the same as the Specific Plan.

AIR-1: The Program EIR determined that emissions of criteria pollutants associated with construction would be significant, and established Mitigation Measures AIR-1a and AIR-1b to address such impacts. However, the Program EIR concluded that impacts could still be significant and unavoidable even with implementation of such mitigations. The proposed project, primarily involving interior renovations, would not involve the type of large-scale construction activities that would create such impacts, and the proposed project would be well below the 554-room construction screening threshold adopted by the Bay Area Air Quality Management District. As a result, implementation of Mitigation Measures AIR-1a and AIR-1b is not required for this project.

AIR-2: The Program EIR determined that the Specific Plan would have long-term emissions of criteria pollutants from increased vehicle traffic and on-site area sources that would contribute to an air quality violation (due to being inconsistent with an element of the *2010 Clean Air Plan*), and established Mitigation Measure AIR-2 requiring implementation of Mitigation Measure TR-2 regarding Transportation Demand Management (TDM) strategies to address this impact. However, the Program EIR noted that TDM effectiveness cannot be guaranteed, and concluded that the impact would be significant and unavoidable. The proposed project would be consistent with the Program EIR analysis, and as such would be required to implement Mitigation Measure AIR-2.

AIR-3: The Program EIR determined that the Specific Plan would increase levels of Toxic Air Contaminants (TACs) due to increased heavy duty truck traffic, but that the impacts would be less than significant. The proposed hotel use would not generate an unusual amount of heavy truck traffic relative to other commercial or multi-family

developments due to the limited nature of the construction, and the proposed project's share of overall Specific Plan development (estimated as being equivalent to 71,921 square feet of commercial square footage) would be accounted for through deduction of this total from the Specific Plan Maximum Allowable Development.

AIR-4: The Program EIR concluded that the Specific Plan would not have a substantial adverse effect pertaining to Particulate Matter (PM_{2.5}). The proposed project is consistent with the assumptions of this analysis.

AIR-5, AIR-6, AIR-7, AIR-8, AIR-10, and AIR-11: The Specific Plan determined that the introduction of sensitive receptors, specifically new residences, to an environment (near El Camino Real and the Caltrain tracks) with elevated concentrations of TACs and PM_{2.5} could result in significant or potentially significant impacts (including in the cumulative scenario), and established Mitigation Measures AIR-5, AIR-7, and AIR-10 to bring impacts to less than significant levels. Although the project site is in proximity to the Caltrain tracks and El Camino Real, the proposed project's conversion of a retirement living center to a hotel, within existing structures, would not represent the introduction of new sensitive receptors in this location, and as such application of these Mitigation Measures is not required for the project.

AIR-9: The Program EIR determined that the Specific Plan is fundamentally consistent with the growth projections of the Bay Area 2010 Clean Air Plan, particularly with regard to residential development. As the proposed project is a commercial development, it does not directly relate to this impact analysis.

No new Air Quality impacts have been identified and no new mitigation measures are required for the proposed project.

Biological Resources

Impacts would be the same as the Specific Plan. The Program EIR determined that less than significant impacts would result with regard to special status plant and wildlife species, sensitive natural communities, migratory birds, and jurisdictional waters and wetlands upon implementation of the recommended Mitigation Measures BIO-1a, BIO-1b, BIO-3a, BIO-3b, BIO-5a through BIO-5c, and BIO-6a. The analysis also found that the Specific Plan would not conflict with local policies, ordinances, or plans. With regard to the project site, none of these potentially significant impacts considered as part of the Program EIR are applicable to the project site, as the project site is developed with an existing independent living facility and no known biological resources are present on-site.

With implementation of the proposed project, renovation activities would occur over the same development footprint. Therefore, as with the Program EIR, the proposed project would result in less than significant impacts to biological resources and no Mitigation Measures would be required. The proposed project would also not conflict with local

policies, ordinances, or plans, similar to the Program EIR. No new impacts have been identified and no new mitigation measures are required for the proposed project.

Cultural Resources

Impacts would be the same as the Specific Plan. The Program EIR determined that no significant impacts to a historic resource would result with implementation of Mitigation Measure CUL-1. The analysis also concluded that the Specific Plan would result in less than significant impacts to archeological resources, paleontological resources, and burial sites with implementation of Mitigation Measures CUL-2a, CUL-2b, CUL-3, and CUL-4. With regard to the project site, none of these potentially significant impacts considered as part of the Program EIR are applicable to the project site, as the project site is developed with an existing independent living facility and no known cultural resources are present on-site.

With implementation of the proposed project, renovation activities would occur over the same development footprint as that considered in the Program EIR. As the existing structures are not 50 years old nor listed on a list of historical resources, the existing on-site structures are not eligible for designation as historical resources. Further, as no grading activities would occur as part of the proposed project (as the project would only consist of renovation activities), the project would not disturb any archeological resources, paleontological resources, or burial sites. Thus, no Mitigation Measures (considered as part of the Program EIR) would be applicable to the proposed project. No new impacts have been identified and no new mitigation measures are required.

Geology and Soils

Impacts would be the same as the Specific Plan. The Program EIR found that no significant impacts pertaining to earthquake faults, seismic ground shaking, seismically induced hazards (e.g., liquefaction, lateral spreading, landsliding, settlement, and ground lurching), unstable geologic units, expansive soils, corrosive soils, landslides, and soil erosion would result. No Mitigation Measures are required.

As the proposed renovation activities would occur over the same development footprint and no grading activities are proposed, the project would result in the same impacts regarding geology and soils. Thus, the project would result in less than significant impacts, no new impacts have been identified, and no new mitigation measures are required.

Greenhouse Gas Emissions

Impacts would be the same as the Specific Plan.

GHG-1: The Program EIR determined that the Specific Plan would generate Greenhouse Gas (GHG) emissions, both directly and indirectly, that would have a significant impact on the environment. Specifically, the operational GHG using the Bay

Area Air Quality District (BAAQMD) GHG Model, measured on a “GHG:service population” ratio, were determined to exceed the BAAQMD threshold. The proposed project’s share of this development (estimated as being equivalent to 71,921 square feet of commercial square footage) and associated GHG emissions and service population, would be accounted for through deduction of this total from the Specific Plan Maximum Allowable Development, and as such is consistent with the Program EIR analysis. The Program EIR established Mitigation Measure GHG-1, although it was determined that the impact would remain significant and unavoidable even with this mitigation. For the proposed project, implementation of Mitigation Measure GHG-1 is not necessary as the BAAQMD-identified GHG Mitigation Measures are primarily relevant to City-wide plans and policies, and also because the City’s CALGreen Amendments have since been adopted and are applied to all projects, including the proposed project.

GHG-2: The Program EIR determined that the Specific Plan could conflict with AB 32 and its Climate Change Scoping Plan by virtue of exceeding the per-capita threshold cited in GHG-1. Again, the proposed project’s share of this development (estimated as being equivalent to 71,921 square feet of commercial square footage) and associated GHG emissions and service population, would be accounted for through deduction of this total from the Specific Plan Maximum Allowable Development, and as such is consistent with the Program EIR analysis. The Program EIR established Mitigation Measure GHG-2, although it was determined that the impact would remain significant and unavoidable even with this mitigation. The specific elements of GHG-2 are applicable to residential (or mixed-use with residential) projects and City programs, and as such are not applicable to the proposed project.

No new impacts have been identified and no new mitigation measures are required for the proposed project.

Hazards and Hazardous Materials

Impacts would be the same as the Specific Plan. The Program EIR determined that a less than significant impact would result in regards to the handling, transport, use, or disposal of hazardous materials during construction operations. The analysis also concluded that the project site is not included on a list of hazardous materials sites, is not within the vicinity of an airport or private airstrip, would not conflict with an emergency response plan, and would not be located in an area at risk for wildfires. The Specific Plan analysis determined that with implementation of Mitigation Measures HAZ-1 and HAZ-3, impacts related to short-term construction activities, and the potential handling of and accidental release of hazardous materials would be reduced to less than significant levels.

The proposed project would involve minimal ground-disturbance activities, and as such implementation of Mitigation Measures HAZ-1 and HAZ-3 would not be required. Project operations would result in a hotel use rather than the existing independent living facility. The proposed hotel use would not handle, store, or transport hazardous materials in

quantities that would be required to be regulated. Thus, project operations would result in similar impacts as that analyzed for the Specific Plan. No new impacts have been identified and no new mitigation measures are required for the proposed project.

Hydrology and Water Quality

Impacts would be the same as the Specific Plan. The Program EIR found that no significant impacts pertaining to construction-related impacts (i.e., water quality and drainage patterns due to erosion and sedimentation), or operational-related impacts to water quality, groundwater recharge, the alteration of drainage patterns, or flooding would result. No Mitigation Measures are required.

As the proposed renovation activities would occur over the same development footprint and no grading activities or changes to the amount of existing impervious areas are proposed, the project would result in the same impacts regarding hydrology and water quality. Thus, the proposed project would result in less than significant impacts, no new impacts have been identified, and no new mitigation measures are required.

Land Use and Planning

Impacts would be the same as the Specific Plan.

LU-1: The Program EIR determined that the Specific Plan would not divide an established community. The proposed project would involve the reuse of an existing developed property, and would not modify the street grid or increase the height of the existing buildings on site. Although Garwood Way on-street parking would be dedicated for the use of the subject property through a license agreement and encroachment permit, this street could still be used for vehicle, bicycle, and pedestrian access. Although Garwood Way is currently a dead-end street, which effectively limits the amount of such use, the City has an adopted plan line to extend it to Oak Grove Avenue, and the proposed project would not itself modify these plans. No mitigation is required for this impact, which is less than significant.

LU-2: The Program EIR determined that the Specific Plan would not alter the type and intensity of land uses in a manner that would cause them to be substantially incompatible with surrounding land uses or neighborhood character. The FAR of the buildings on site would not change, and applicable design guidelines would be followed for the proposed modest exterior changes. No mitigation is required for this impact, which is less than significant.

LU-3: The Program EIR determined that the Specific Plan would not conflict with the City's General Plan, Zoning Ordinance, or other land use plans or policies adopted for the purpose of mitigating an environmental effect. The General Plan and Zoning Ordinance were amended concurrent with the Specific Plan adoption, and the proposed project would comply with all relevant regulations. No mitigation is required for this impact, which is less than significant.

LU-4: The Program EIR determined that the Specific Plan, in combination with other plans and projects, would not result in cumulatively considerable impacts to land use. The proposed project, being a part of the Specific Plan area and accounted for as part of the Maximum Allowable Development, is consistent with this determination. No mitigation is required for this impact, which is less than significant.

No new impacts have been identified and no new mitigation measures are required for the proposed project.

Mineral Resources

Impacts would be the same as the Specific Plan. The Program EIR noted that the project site is not located within an area of known mineral resources, either of regional or local value.

As was the case with the Specific Plan, the proposed project would not result in the loss of availability of a known mineral resource or mineral resources recovery site. No new impacts have been identified and no new mitigation measures are required for the proposed project.

Noise

Impacts would be the same as the Specific Plan.

NOI-1: The Program EIR determined that construction noise, in particular exterior sources such as jackhammering and pile driving, could result in a potentially significant impact, and established Mitigation Measures NOI-1a through NOI-1c to address such impacts. However, the proposed project primarily involves interior tenant improvements and minor exterior changes, and would not involve grading, soil import/export, or the use of heavy construction equipment. Therefore construction noise impacts of the proposed project would be less than significant, and these mitigation measures would not apply.

NOI-2: The Program EIR determined that impacts to ambient noise and traffic-related noise levels as a result of the Specific Plan would be less than significant. The proposed project's share of this development (estimated as being equivalent to 71,921 square feet of commercial square footage) would be accounted for through deduction of this total from the Specific Plan Maximum Allowable Development.

NOI-3 and NOI-4: The Program EIR determined that the Specific Plan could include the introduction of sensitive receptors, specifically new residences, to a noise environment (near the Caltrain tracks) with noise levels in excess of standards considered acceptable under the City of Menlo Park Municipal Code, as well as the introduction of sensitive receptors to substantial levels of groundborne vibration from the Caltrain tracks. Although the project site is in direct proximity to the Caltrain tracks, the proposed

project's conversion of a retirement living center to a hotel, within existing structures, would not represent the introduction of new sensitive receptors, and as such application of Mitigation Measures NOI-3 or NOI-4 is not required for the project.

NOI-5: The Program EIR determined that implementation of the Specific Plan, together with anticipated future development in the area in general, would result in a significant increase in noise levels in the area. The Program EIR established Mitigation Measure NOI-5 to require the City to use rubberized asphalt in future paving projects within the Plan area if it determines that it will significantly reduce noise levels and is feasible given cost and durability, but determined that due to uncertainties regarding Caltrans approval and cost/feasibility factors, the cumulative impact of increased traffic noise on existing sensitive receptors is significant and unavoidable. The proposed project's share of this development (estimated as being equivalent to 71,921 square feet of commercial square footage) would be accounted for through deduction of this total from the Specific Plan Maximum Allowable Development.

No new Noise impacts have been identified and no new mitigation measures are required for the proposed project.

Population and Housing

Impacts would be similar from that analyzed in the Program EIR.

POP-1: The Program EIR determined that the implementation of the Specific Plan would not cause the displacement of existing residents to the extent that the construction of replacement facilities outside of the Plan area would be required. Although the existing, market-rate facility provides a type of group housing, the individual rooms themselves do not have full kitchens and have not been considered by the City to be individual dwelling units. However, it is recognized that residents would be displaced by the proposed hotel use. In general, implementation of the Specific Plan would likely include new residential development that would replace any lost units and add additional housing opportunities in the Plan area, although the timing of individual residential projects would vary based on market conditions. As a result, the Program EIR determined that since the Specific Plan allows for more residential units to be constructed than would be demolished in the Plan area, the construction of replacement housing outside the Specific Plan area would not be required. Additionally, prior to and since information on the hotel proposal has been made public, many of the former residents have voluntarily relocated to other market-rate senior housing facilities, such that the recent occupancy rate has been reduced to approximately 13 percent limiting the number of residents needing to find alternative housing. The proposed project would assist in the relocation of remaining residents at the project site to other residential locations in the City or region, as required by existing law. No mitigation is required for this impact, which is less than significant.

POP-2: The Program EIR determined that the implementation of the Specific Plan would not be expected to induce growth in excess of current projections, either directly

or indirectly. The Program EIR found that full build-out under the Specific Plan would result in 1,537 new residents, well within the Association of Bay Area Governments (ABAG) projection of 5,400 new residents between 2010 and 2030 in Menlo Park and its sphere of influence. Additionally, the Program EIR projected the new job growth associated with the new retail, commercial and hotel development to be 1,357 new jobs. The ABAG projection for job growth within Menlo Park and its sphere of influence is an increase of 7,240 jobs between 2010 and 2030. The Program EIR further determines that based on the ratio of new residents to new jobs, the Specific Plan would result in a jobs-housing ratio of 1.56, below the projected overall ratio for Menlo Park and its sphere of influence of 1.70 in 2030 and below the existing ratio of 1.78.

The proposed project would not directly result in population growth, as the project would not construct new housing. The project may result in a slight increase in population indirectly as a result of an increase in employees at the project site. Based on the Limited Economic Benefit Review (Conley Consulting Group, October 19, 2012), the project would result in a total of 47 net new jobs in the local economy, above the existing senior facility in 2011. It is anticipated that most of the new jobs created would be sustained by the region's existing population. Only 25 new jobs would directly result from project implementation. Assuming that all 25 new jobs result in employees relocating to the City (a conservative assumption), this would result in a population increase of 60 people based on a household size of 2.38 persons per household utilized in the Program EIR. The resultant 60 persons (0.17 percent of the total population analyzed in the Program EIR) would not be considered a substantial increase, would continue to be within all projections and impacts in this regard would be considered less than significant. Thus, no new impacts have been identified and no new mitigation measures are required for the proposed project.

POP-3: The Program EIR determined that implementation of the Specific Plan, in combination with other plans and projects would not result in cumulatively considerable impacts to population and housing. The EIR identified an additional 959 new residents and 4,126 new jobs as a result of other pending projects. These combined with the projection for residents and jobs from the Specific Plan equate to 2,496 new residents and 5,483 new jobs, both within ABAG projections for Menlo Park and its sphere of influence in 2030. The estimated additional 25 jobs and 60 persons associated with the proposed hotel conversion would not be considered a substantial increase, would continue to be within all projections and impacts in this regard would be considered less than significant. Thus, no new impacts have been identified and no new mitigation measures are required for the proposed project.

No new Population and Housing impacts have been identified and no new mitigation measures are required for the proposed project.

Public Services and Utilities

Impacts would be the same as the Specific Plan. The Program EIR concluded that less than significant impacts to public services, including fire protection, police protection,

schools, parks, and other public facilities would result. In addition, the Program EIR concluded that the project would result in less than significant impacts to utilities and service systems, including water services, wastewater services, and solid waste. No mitigation measures were required under the Program EIR for Public Services and Utilities impacts.

The proposed project would result in similar demands on public services compared to the existing uses at the site. It is anticipated that the elimination of the senior living facility would likely involve a reduction in ambulance and fire calls to the site compared to the proposed hotel use. Neither the existing retirement living center nor the proposed hotel use would affect school enrollment. The proposed project's business hotel users are not expected to substantially increase the use of parks, relative to the existing site occupants. The existing water, wastewater, electric, gas, and solid waste infrastructure is adequate to support the proposed project, as the number of proposed hotel rooms would not exceed 138 rooms, which the current site was developed to support.

No new Public Services and Utilities impacts have been identified and no new mitigation measures are required for the proposed project.

Transportation, Circulation and Parking

This analysis is informed by a Traffic Impact Analysis (TIA) prepared by TJKM on behalf of the applicant (Exhibit 1) and associated independent City peer review (Exhibit 2).

TR-1 and TR-7: The Program EIR concluded that the Specific Plan would result in significant and unavoidable traffic impacts related to operation of area intersections and local roadway segments, in both the short-term and cumulative scenarios, even after implementation of Mitigation Measures TR-1a through TRA-1d, TR-2, TR-7a through TR-7n, and TR-8.

As part of the TIA, the following intersections were analyzed:

- 1) El Camino Real/Valparaiso Avenue/Glenwood Avenue;
- 2) Glenwood Avenue/San Antonio Avenue
- 3) Glenwood Avenue/Garwood Way;
- 4) Glenwood Avenue/Laurel Street; and
- 5) Glenwood Avenue/Middlefield Road.

Intersections #1 and #5 were analyzed as part of the Program EIR. In both the near-term and cumulative scenarios, the project would not result in impacts in excess of City standards for intersections #1-4. For intersection #5, which has no controls (stop signs or signals) for Middlefield Road movements, but which has stop signs on the approach streets of Glenwood and Linden Avenues, the project would result in significant impacts in both the near-term and cumulative scenarios. However, the Program EIR likewise determined that this intersection would see a significant impact, so the proposed project would be consistent. The Program EIR established Mitigation Measure TR-1b (also TR-

7f), requiring fair-share funding towards signalization of this intersection, which would be applied as a requirement of this project through the Mitigation Monitoring and Reporting Program. However, the implementation of this improvement, which is in the Town of Atherton, cannot be guaranteed, so the impact remains significant and unavoidable, for both the Specific Plan and the proposed project.

TR-2 and TR-8: The Program EIR determined that the Specific Plan would adversely affect operation of certain local roadway segments, in both the near-term and cumulative scenarios. The proposed project, by creating 539 projected net new daily trips, would contribute to this impact. However, the proposed project's share of the overall Specific Plan development (estimated as being equivalent to 71,921 square feet of commercial square footage) would be accounted for through deduction of this total from the Specific Plan Maximum Allowable Development, and as such is consistent with the Program EIR analysis. In addition, the proposed project would be required through the MMRP to implement Mitigation Measure TR-2, requiring submittal and City approval of a Transportation Demand Management (TDM) program prior to project occupancy. However, this mitigation (which is also implemented through Mitigation Measure AIR-2) cannot have its effectiveness guaranteed, as noted by the Program EIR, so the impact remains significant and unavoidable.

TR-3, TR-4, TR-5, and TR-6: The Program EIR determined that the Specific Plan would not result in impacts to freeway segment operations, transit ridership, pedestrian and bicycle safety, or parking in the downtown. The proposed project's reuse of an existing site, using a parking rate supported by appropriate data and analysis, would be consistent with this analysis, and no new impacts or mitigation measures would be projected.

No new impacts have been identified and no new mitigation measures are required for the proposed project.

Conclusion

As discussed, the Conformance Checklist is to confirm that 1) the proposed project does not exceed the environmental impacts analyzed in the Program EIR, 2) that no new impacts have been identified, and 3) no new mitigation measures are required. As detailed in the analysis presented above, the proposed project would not result in greater impacts than were identified for the Program EIR. No new impacts have been identified and no new mitigation measures are required for the proposed project.

Exhibit 1 – Preliminary Parking and Traffic Impact Analysis - TJKM

Exhibit 2 – Review of 555 Glenwood Avenue Traffic Analysis - W-Trans



Vision That Moves Your Community

Transportation
Consultants**TECHNICAL MEMORANDUM**

Date: February 26, 2013

Project No.: 2-030

To: Mr. Reed Moulds
Managing Director
Sand Hill Property Company

From: Christopher Thnay, PE, AICP

Jurisdiction: Menlo Park

Subject: Results of Preliminary Parking and Traffic Impact Analysis of Proposed Marriott Residence Inn at 555 Glenwood Avenue in Menlo Park

The purpose of this technical memorandum is to present the results of a preliminary traffic evaluation for the proposed Marriott Residence Inn (MRI) located at 555 Glenwood Avenue in Menlo Park. The preliminary site plan shows 138 rooms. The purpose of this study is to analyze potential impacts of the proposed project as compared to the assumptions detailed in the El Camino Real/Downtown Specific Plan Final Environmental Impact Report (EIR) dated June 5, 2012. This is a revised technical memorandum based on comments received from the city on the earlier technical memorandum dated October 19, 2012.¹

Based on comments received, it was determined that the preliminary study should focus on five study intersections:

1. El Camino Real/Glenwood Avenue
2. San Antonio Avenue/Glenwood Avenue
3. Garwood Way/Glenwood Avenue
4. Laurel Street/Glenwood Avenue
5. Middlefield Road/Glenwood Avenue

The following scenarios were analyzed:

- I. Existing Traffic Condition
- II. Existing plus Approved plus Pending Condition
- III. Existing plus Approved plus Pending plus Project Condition
- IV. 2035 Cumulative Condition
- V. 2035 Cumulative plus Project Condition

**Study Intersections**

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¹ Email of comments from Thomas Rogers, dated January 17, 2013

Traffic Counts

The existing peak hour counts were available for the two study intersections at El Camino Real/Glenwood Avenue (City 2012 TRAFFIX data) and Middlefield Road/Glenwood Avenue (Downtown Specific Plan EIR report). The a.m. and p.m. peak hour turning movement volumes were collected at the other three intersections.

Exiting Conditions

El Camino Real (SR 82) is a primary north-south arterial that connects San Jose with San Francisco. It enters the Menlo Park just north of Sand Hill Road as a six-lane arterial, becomes a four-lane arterial near downtown Menlo Park, and exits the City as a five-lane arterial (three southbound lanes and two northbound lanes) north of Encinal Avenue. The ADT for this roadway is approximately 38,000 vehicles.

Middlefield Road is a minor north-south arterial roadway that extends from Sunnyvale to Redwood City. It enters Menlo Park at San Francisquito Creek south of Willow Road as a four-lane arterial and narrows to a two-lane arterial at Ravenswood Avenue. The ADT for this roadway is approximately 20,000 vehicles.

Glenwood Avenue is an east-west two-lane collector roadway. It extends from east of Middlefield Road in the Town of Atherton to El Camino Real. This roadway is one of four east-west roadways in the City that cross the Caltrain railroad tracks. The ADT for this roadway is approximately 5,800 vehicles. Glenwood Avenue becomes Valparaiso Avenue west of El Camino Real. There are Class II bike lanes on both sides of Glenwood Avenue.

Garwood Way is a two lane local residential street that is located to the west of the Caltrain railroad tracks. It runs from Encinal Avenue in the north to just south of Glenwood Avenue. It is two-way Stop control on Garwood Way at Glenwood Avenue.

Laurel Street is a two lane north-south local street with a Class II on-street bike lane on both sides of the street. It is all-way Stop control on Laurel Street at Glenwood Avenue.

San Antonio Avenue is a two lane local street with on-street parking. It T's onto Glenwood Avenue and is located directly across from the parking lot of the existing project site.

Intersection Levels of Service

Level of Service is a qualitative index of the performance of an element of the transportation system. Level of Service (LOS) is a rating scale running from A to F, with A indicating no congestion of any kind, and F indicating intolerable congestion and delays.

The *2000 Highway Capacity Manual (HCM)* is the standard reference published by the Transportation Research Board, and contains the specific criteria and methods to be used in assessing LOS. There are several software packages that have been developed to implement HCM. In this study the TRAFFIX software was used to calculate the LOS at the study intersections. Table I summarizes the results of the LOS analysis at the study intersections. Currently, all study intersections operate at an acceptable level of service, except the intersection of Glenwood Avenue/Middlefield Road which operates at LOS F. The City of Menlo Park has established minimum acceptable LOS for roadway and overall intersection operations. The minimum acceptable LOS and results of the existing levels of service analysis are contained in Appendix A.

Table I: Intersection Levels of Service - Existing Traffic Condition

ID	Intersection	Control	Existing Conditions			
			A.M. Peak Hour		P.M. Peak Hour	
			Delay	LOS	Delay	LOS
1	El Camino Real/Valparaiso Ave./Glenwood Ave.	Signal	32.3	C	34.1	C
	EB Approach Critical Movements		61.5	E	61.3	E
	WB Approach Critical Movements		69.5	E	73.1	E
2	Glenwood Ave./San Antonio Ave.	Minor St Approach Stop	11.5	B	10.2	B
3	Glenwood Ave./Garwood Way	Minor St Approach Stop	13.8	B	12.4	B
4	Glenwood Ave./Laurel St.	All-Way Stop	16.5	C	11.9	B
5	Glenwood Ave./Middlefield Rd.	Minor St Approach Stop	>150	F	>150	F

The intersection of El Camino Real/Valparaiso Avenue /Glenwood Avenue operates at LOS C while both the eastbound and westbound approach critical movements operate at LOS E. The minor street stop control intersection of Glenwood Avenue/Middlefield Road operates at LOS F. The other three study intersections operate at acceptable LOS.

It should be noted that the Glenwood/Middlefield intersection would be impacted by the Downtown Specific Plan under both Project and Cumulative Conditions. Mitigation Measure TR-1b of the Specific Plan EIR is installation of a traffic signal at this intersection with fair-share funding coming from individual project applicants. However, the Specific Plan impact is significant and unavoidable as the intersection is under the Town of Atherton's jurisdiction, and therefore the City of Menlo Park cannot guarantee implementation of the mitigation measure.

Near Term Traffic Condition (Scenario II)

The Existing plus Approved plus Pending Projects (Near Term) scenario adds traffic to the previous scenario from the currently proposed/approved/under construction projects but not yet occupied developments. The total amounts of approved and pending projects in the City of Menlo Park were obtained from the Menlo Park CSA TRAFFIX model.

Table II summarizes the results of the intersection LOS analysis. Detailed calculations are shown in Appendix B.

Table II: Intersection Levels of Service - Near Term Traffic Condition (Scenario II)

ID	Intersection	Control	LOS Threshold	Near-Term			
				A.M. Peak Hour		P.M. Peak Hour	
				Delay	LOS	Delay	LOS
1	El Camino Real/Valparaiso Ave./Glenwood Ave.	Signal	D	34.8	C	34.9	C
	EB Approach Critical Movements			62.9	E	63.1	E
	WB Approach Critical Movements			71.4	E	77.4	E
2	Glenwood Ave./San Antonio Ave.	Minor St Stop	C	11.9	B	10.0	B
3	Glenwood Ave./Garwood Way	Minor St Stop	C	14.7	B	12.4	B
4	Glenwood Ave./Laurel St.	All-Way Stop	C	19.5	C	12.1	B
5	Glenwood Ave./Middlefield Rd.	Minor St Stop	D	135.6	F	>150	F

Similar to the existing traffic condition, the intersection of El Camino Real/Valparaiso Avenue /Glenwood Avenue operates at LOS C and both the eastbound and westbound approach critical movements continue to operate at LOS E. And the minor street stop control intersection of Glenwood Avenue/Middlefield Road operates at LOS F. The other three study intersections operate at acceptable LOS.

Near Term plus Project Traffic Condition (Scenario III)

In this scenario the proposed traffic volume generated by the proposed project is added to the volume from Near Term Project scenario.

Traffic Generation

The existing facility serves both independent and assisted living residents aged 62 years or older. No skilled nursing, Alzheimer’s care or rehabilitation care is offered. The proposed project is the conversion of the existing market rate assisted living senior housing complex into a limited service hotel. The proposed hotel is the Marriott Residence Inn (MRI) with over 650 locations throughout the United States. The closest MRI is located in Los Altos.

TJKM estimated the a.m. and p.m. peak hour trip generation for the existing facility and the proposed MRI project based on the *Trip Generation, Ninth Edition*, published by the Institute of Transportation Engineers (ITE) as shown in Table III. Based on conversation with city staff, it was determined that a blended rate of the All Suites Hotel (ITE Code 311) and Business Hotel (ITE Code 312) best represents the proposed project.²

² Conversation with Chip Taylor on January 31, 2013

Table III: Estimated Project Trip Generation

Land Use (ITE Code)	Size		Daily		A.M. Peak			P.M. Peak				
			Rate	Trips	Rate	In	Out	Total	Rate	In	Out	Total
I. Proposed Project: 138 Rooms Marriott Residence Inn												
Business Hotel (312)/ All Suites Hotel (311) ^a	138	Rooms	6.8	932	0.53	43	30	73	0.59	41	40	81
II. Existing Assisted Senior Adult Housing												
Assisted Living (254)	125	Rooms	2.7	343	0.18	15	7	23	0.29	19	19	37
Net Trips				589		28	23	51		23	21	44

Note: ^a - A blended rate based on Business Hotel and All Suites Hotel was assumed.

Source: ITE Trip Generation, Ninth Edition

Since trips generated by the existing land use would not be present once the future MRI project is developed, these estimated trips would be considered a credit to the project and would be deducted from the future project trips. As shown in Table I, the proposed project is expected to generate approximately 51 net trips during the a.m. peak hour and 44 net trips during the p.m. peak hour.

Trip Distribution

Trip distribution is the process of determining the proportion of vehicles that would travel between the project site and various destinations in the vicinity of the study area. Trip assignment is the process of determining the various paths vehicles would take from the project site to each destination. Based on the estimated trip generation, the net peak hour trips were assigned to the surrounding network based on the trip distribution assumptions shown on Table 4.13-7 of the EIR.

LOS Impact Analysis

Table IV shows the LOS results of the Existing plus Approved plus Pending plus Proposed Project scenario. The level of service at the intersection of El Camino Real/Valparaiso Avenue /Glenwood Avenue would change from LOS C to LOS D which is considered acceptable. Similar to the Near Term traffic condition, the eastbound and westbound approach critical movements at the intersection of El Camino Real/Valparaiso Avenue /Glenwood Avenue would continue to operate at LOS E. The increase in delay on the critical movements is less than 0.8 seconds of the significant impact threshold.

The minor street stop control intersection of Glenwood Avenue/Middlefield Road would continue to operate at LOS F. The City's impact criteria also evaluate increases in delay to critical movements. A traffic impact may be considered potentially significant if the addition of the project traffic causes an increase of more than 0.8 seconds of average delay to vehicles on all critical movements for intersections operating at a near term LOS D through F for collector streets and at a near term LOS E or F for arterial streets. Since the increase to the intersection delay is 1.2 seconds during the a.m. peak hour, the traffic impact may be considered potentially significant. Note however, that since delays at unsignalized intersections are measurable up to 150 seconds per the equations of the Highway Capacity Manual, delays near or greater than 150 seconds are considered inaccurate. Since the delay at the intersection is greater than 150 seconds during the p.m. peak hour and 136.8 during the a.m. peak hour (which is less than nine percent from 150 seconds), the estimated increase in delay caused by project traffic might not be accurate.

With a signal, the intersection would operate at LOS B. As noted previously, the Glenwood/Middlefield intersection would be impacted by the Downtown Specific Plan under both Project and Cumulative Conditions. Mitigation Measure TR-1b of the Specific Plan EIR is

installation of a traffic signal at this intersection with fair-share funding coming from individual project applicants. However, the Specific Plan impact is significant and unavoidable as the intersection is under the Town of Atherton's jurisdiction, and therefore the City of Menlo Park cannot guarantee implementation of the mitigation measure.

Table IV: Intersection Levels of Service - Near Term plus Project Traffic Condition (Scenario III)

	Intersection	Control	LOS Thres hold	Near-Term				Near-Term Plus Project				Delay Diff.	
				A.M. Peak Hour		P.M. Peak Hour		A.M. Peak Hour		P.M. Peak Hour		A.M. Peak Hr	P.M. Peak Hr
				Delay	LOS	Delay	LOS	Delay	LOS	Delay	LOS		
1	El Camino Real/Valparaiso Ave./Glenwood Ave.	Signal	D	34.8	C	34.9	C	35.0	C	35.2	D	0.2	0.3
	EB Approach Critical Movements			62.9	E	63.1	E	63.0	E	63.3	E	0.1	0.2
	WB Approach Critical Movements			71.4	E	77.4	E	71.3	E	77.5	E	-0.1	0.1
2	Glenwood Ave./San Antonio Ave.	Minor St Stop	C	11.9	B	10.0	B	14.6	B	13.8	B	2.7	3.8
3	Glenwood Ave./Garwood Wy.	Minor St Stop	C	14.7	B	12.4	B	14.7	B	12.4	B	0.0	0.0
4	Glenwood Ave./Laurel St.	All-Way Stop	C	19.5	C	12.1	B	19.5	C	12.1	B	0.0	0.0
5	Glenwood Ave./Middlefield Rd.	Minor St Stop	D	135.6	F	>150	F	136.8	F	>150	F	1.2	0.0

Fair Share Contribution

Table V shows the fair share contribution for the future signal at the intersection of Glenwood Avenue and Middlefield Road based on Caltrans methodology and assumed average signal cost of \$700,000.

Table V: Fair Share Contribution to Future Glenwood/Middlefield Intersection Signal

Scenarios	AM Peak Hour	PM Peak Hour
Existing plus Approved Projects	2,572	1,767
2035 Cumulative Conditions	3,129	2,154
Project Contribution	1	1
Project Fair share Contribution *	0.2%	0.3%
	\$1,257	\$1,292

Note: * Project Fair Share Contribution is based on Caltrans methodology for a typical Traffic Impact Study; the cost for installation of a new traffic signal is assumed to be \$700,000.

Source: TJKM Transportation Consultants, Feb. 2013

Transportation Demand Management (TDM)

Alternatively, instead of paying the fair share contribution, the applicant could implement a TDM plan. Detailed analysis of the impacted intersection LOS results indicated that one project trip triggered the 1.2 second delay impact during the a.m. peak hour.

The City of Menlo Park encourages implementation of Transportation Demand Management (TDM). Based on the City's TDM Guidelines, several feasible items to implement includes:

- Subsidizing transit tickets for employees (one peak hour trip credit)
- Creation of preferential parking for carpoolers (two peak hour trips credit)
- Transportation allowance program for bicyclists, walkers and carpoolers (one peak hour trip credit)
- Join the Alliance's guaranteed ride home program (One peak hour trip will be credited for every 2 slots purchased in the program)

A combination of any of the above TDM measures would reduce one or more trips. Additional strategies are discussed in the parking section.

Roadway Segment Analysis

Two roadway segments in the vicinity of the project as listed below were selected for analysis of potential project impacts: the existing roadway volumes used in the analysis were obtained from the City's existing TRAFFIX file.

Estimates of daily traffic generated by the proposed project were added to the existing roadway segment daily volumes. The results are presented in Table V. The City of Menlo Park's roadway segment significance criteria was used to identify potentially significant impacts.³

Table VI: Near Term plus Project Roadway Segment Analysis

Roadway Segments	Classification	Existing	Near-Term	Near-Term plus Project	Project-related ADTs		Impact?
					ADT	% Increase of Near-Term	
1. Glenwood Avenue - El Camino to Laurel	Collector	5,899	6,213	6,827	614	9.9%	No
2. Middlefield Road - Glenwood to Oak Grove	Minor Arterial	14,932	16,496	16,505	9	0.1%	No

The pertinent criteria indicated an impact may be considered potentially significant for a minor arterial if the segment ADT is greater than 10,000 (50 percent of capacity) but less than 18,000, and the project related traffic increases the ADT by 12.5 percent or the ADT becomes 18,000 or more. And for collector streets, it is considered an impact if the ADT is greater than 5,000 (50% of capacity) but less than 9,000, and the project related traffic increases the ADT by 12.5% or the ADT becomes 9,000 or more. Based on the criteria, the results indicated that the proposed project would not result in significant traffic impacts at the two roadway segments under Near Term plus Project Conditions.

³ Analysis of a proposed project's impact on Menlo Park roadway segments is based on project-generated changes to average daily traffic volumes, not on changes to LOS conditions (see Significance Criteria for Street Segments in the Appendix A).

2035 Cumulative Traffic Condition (Scenario IV)

The existing traffic volume was used as a starting base for this analysis. A one percent compound growth per year was assumed for increase in traffic volume within 23 years.⁴ This scenario also includes the pending and approved projects.

Table VII shows the LOS results of the 2035 Cumulative Condition.

Table VII: Intersection Levels of Service - 2035 Cumulative Traffic Condition

ID	Intersection	Control	LOS Threshold	2035 Cumulative			
				A.M. Peak Hour		P.M. Peak Hour	
				Delay	LOS	Delay	LOS
1	El Camino Real/Valparaiso Ave./Glenwood Ave.	Signal	D	45.4	D	50.9	D
	EB Approach Critical Movements			82.7	F	90.8	F
	WB Approach Critical Movements			100.5	F	116.0	F
2	Glenwood Ave./San Antonio Ave.	Minor St Stop	C	8.1	B	10.7	B
3	Glenwood Ave./Garwood Wy.	Minor St Stop	C	18.8	C	13.9	B
4	Glenwood Ave./Laurel St.	All-Way Stop	C	71.6	F	18.2	C
5	Glenwood Ave./Middlefield Rd.	Minor St Stop	D	>150	F	>150	F

Unlike the Near Term traffic condition, the eastbound and westbound approach critical movements at the intersection of El Camino Real/Valparaiso Avenue /Glenwood Avenue would operate at LOS F.

The minor street stop control intersection of Glenwood Avenue/Middlefield Road would continue to operate at LOS F. The intersection of Glenwood Avenue /Laurel Street would operate at LOS F during the a.m. peak hour.

As noted previously, the Glenwood/Middlefield intersection would be impacted by the Downtown Specific Plan under both Project and Cumulative Conditions. Mitigation Measure TR-1b of the Specific Plan EIR is installation of a traffic signal at this intersection with fair-share funding coming from individual project applicants. However, the Specific Plan impact is significant and unavoidable as the intersection is under the Town of Atherton's jurisdiction, and therefore the City of Menlo Park cannot guarantee implementation of the mitigation measure.

2035 Cumulative plus Project Traffic Condition (Scenario V)

In this scenario the proposed traffic volumes generated by the proposed MRI project is added to the volume from previous base cumulative scenario.

Table VIII shows the LOS results of the Cumulative plus Project scenario. The detailed LOS calculation sheets are contained in Appendix E.

⁴ Consultation with Chip Taylor, City of Menlo Park, January 31, 2013

Table VIII: Intersection Levels of Service - 2035 Cumulative plus Project Traffic Conditions

	Intersection	Control	LOS Thres hold	Cumulative				Cumulative Plus Project				Delay Diff	
				A.M. Peak Hour		P.M. Peak Hour		A.M. Peak Hour		P.M. Peak Hour		A.M. Peak Hr	P.M. Peak Hr
				Delay	LOS	Delay	LOS	Delay	LOS	Delay	LOS		
1	El Camino Real/Valparaiso Ave./Glenwood Ave.	Signal	D	45.4	D	50.9	D	45.5	D	51.5	D	0.1	0.6
	EB Approach Critical Movements			82.7	F	90.8	F	82.9	F	91.8	F	0.2	1.0
	WB Approach Critical Movements			100.5	F	116.0	F	101.0	F	116.0	F	0.5	0.0
2	Glenwood Ave./San Antonio Ave.	Minor St Stop	C	8.1	B	10.7	B	17.4	C	16.1	C	9.3	5.4
3	Glenwood Ave./Garwood Wy.	Minor St Stop	C	18.8	C	13.9	B	19.0	C	14.0	B	0.2	0.1
4	Glenwood Ave./Laurel St.	All-Way Stop	C	71.6	F	18.2	C	72.0	F	18.3	C	0.4	0.1
5	Glenwood Ave./Middlefield Rd.	Minor St Stop	D	>150	F	>150	F	>150	F	>150	F	0.0	0.0

The level of service at the intersection of El Camino Real/Valparaiso Avenue /Glenwood Avenue would continue to operate at LOS D which is considered acceptable. Similar to the Cumulative Traffic condition, the eastbound and westbound approach critical movements at the intersection of El Camino Real/Valparaiso Avenue /Glenwood Avenue would continue to operate at LOS F.

The minor street stop control intersection of Glenwood Avenue/Middlefield Road would continue to operate at LOS F. The impact is not considered potentially significant since project traffic causes an increase that is less than 0.8 seconds of average delay to vehicles on all critical movements. As noted previously, the Glenwood/Middlefield intersection would be impacted by the Downtown Specific Plan under both Project and Cumulative Conditions. Mitigation Measure TR-1b of the Specific Plan EIR is installation of a traffic signal at this intersection with fair-share funding coming from individual project applicants. However, the Specific Plan impact is significant and unavoidable as the intersection is under the Town of Atherton's jurisdiction, and therefore the City of Menlo Park cannot guarantee implementation of the mitigation measure. The intersection would operate at LOS B or better with a signal.

The intersection of Glenwood Avenue /Laurel Street would operate at LOS F during the a.m. peak hour. The increase in average delay to vehicles on critical movements is less than 0.8 seconds. Therefore the impact is not considered significant.

Roadway Segment Analysis

Estimates of daily traffic generated by the proposed project were added to the Cumulative roadway segment daily volumes. The results indicated that project impact is not significant and are presented in Table IX.

Table IX: 2035 Cumulative plus Project Roadway Segment Analysis

Roadway Segments	Classification	Existing	2035	2035 plus Project	Project-related ADTs		Impact?
					ADT	% Increase of Near-Term	
1. Glenwood Avenue - El Camino to Laurel	Collector	5,899	7,646	8,260	614	8.0%	No
2. Middlefield Road - Glenwood to Oak Grove	Minor Arterial	14,932	20,057	20,066	9	0.0%	No

Traffic Conclusion

It is estimated that the level of service impact at the five study intersections due to the proposed MRI project is considered acceptable for all intersections except the intersection of Glenwood Avenue/Middlefield Road under Near Term plus Project scenario.

Under Near Term plus Project scenario, the minor street stop control intersection of Glenwood Avenue/Middlefield Road would continue to operate at LOS F. A traffic impact may be considered potentially significant if the addition of the project traffic causes an increase of more than 0.8 seconds of average delay to vehicles on all critical movements for intersections operating at a near term LOS D through F for collector streets and at a near term LOS E or F for arterial streets. Since the increase to the intersection delay is 1.2 seconds during the a.m. peak hour, the traffic impact may be considered potentially significant. Note however, that since delays at unsignalized intersections are measureable up to 150 seconds per the equations of the Highway Capacity Manual, delays near or greater than 150 seconds are considered inaccurate. As the delay at the intersection is greater than 150 seconds during the p.m. peak hour and 136.8 during the a.m. peak hour (which is less than nine percent from 150 seconds), the estimated increase in delay caused by project traffic might not be accurate.

With a signal, the intersection of Glenwood Avenue/Middlefield Road would operate at LOS B. The implementation of a combination of any of the City’s recommended TDM Guidelines could reduce one or more project trips and allow the impacted intersection to operate at acceptable condition.

Parking Supply/Demand/Requirement

The Developer is proposing 113 parking stalls for the Project. The potential parking demand of the proposed MRI project were evaluated using two sources: *ITE (Fourth Edition)* and *Los Altos Marriott Residence Inn Survey*.

Parking Generation, ITE, Fourth Edition (2010)

The ITE recently published *Parking Generation, ITE, Fourth Edition (2010)*. The 85th percentile parking rate for Business Hotel (Land use Code 312) is shown as 0.75 vehicles per room on a weekday. The weekend rate is slightly lower at 0.72 vehicles per room. Data for one of the site in the All Suites Hotel (Land use Code 311) showed a parking rate of approximately 0.85 vehicles per room. As mentioned earlier, based on conversation with city staff, it was determined that a blended rate of the All Suites Hotel (ITE Code 311) and Business Hotel (ITE Code 312) best represents the proposed project. Using the blended rate of 0.80, it is estimated that approximately 110 parking stalls would be required for the proposed project.

Using Los Altos Marriott Residence Inn Parking Survey

Lastly, TJKM also determined the parking demand by using the parking survey data that was collected at the Los Altos Marriott Residence Inn between May and September 2012. A summary of the maximum parking occupancy rate for each month is shown in Table X. The detailed parking occupancy survey data is contained in Appendix F.

Table X: Parking Occupancy Survey, MRI Los Altos

Month (2012)	Maximum Parking Occupancy
May	0.85
June	0.87
July	0.87
August	0.88
September	0.86
Maximum Observed	0.88
Average Observed	0.87

Using the maximum parking occupancy of 0.88, approximately 121 parking stalls would be required.

Parking Variance and Spaces on Garwood Way

The El Camino Real/Downtown Specific Plan Final Environmental Impact Report (EIR) listed a parking rate of 1.25 spaces per room for hotel use. The rate applies to a typical full service hotel which is considered considerably higher than the proposed limited service MRI development. Therefore, based on the type of proposed MRI hotel use, the application of Footnote #6 as listed in Table F1 of the Specific Plan was appropriate to support the proposed parking rate in this report.

Currently there are 39 parking spaces on Garwood Way – nine parallel spaces on the westside adjacent to Glenwood Inn and 30 perpendicular parking spaces on the eastside. It was observed that six of the nine parallel parking spaces on the westside and three of the 30 perpendicular parking spaces on the eastside were occupied. The occupied parking is most likely all related to Glenwood Inn since this segment of Garwood Way is adjacent to the building. The parking spaces are not easily accessible for other uses in the area.

Parking Management Strategies

An effective Transportation Demand Management (TDM) programs would reduce the amount of peak period vehicle traffic on roadways and their associated parking demand by encouraging the use of modes other than single-occupant vehicles for travel.

In the vicinity of Glenwood Avenue and El Camino Real, the project area is quite well served by the Caltrain, San Mateo County Transit District (SamTrans) bus service, and local shuttles. SamTrans provides local and regional bus service, and Caltrain provides commuter rail service. Local shuttles are also provided in Menlo Park for free during commute hours by Caltrain and during mid-day hours by the City. Both shuttles are operated during the week (Monday through Friday) only. In addition, there is a Class II bike lanes located on Glenwood Avenue and Laurel Street.

Based on these existing non-auto mode infrastructures in the immediate vicinity, incentives such as subsidized rail and bus passes are likely to be an effective TDM measures for the project due to its proximity to a robust selection of transit options. Facilities and incentives for bicycling and walking are also likely to be effective. Guaranteed ride home programs, which reduce commuter anxiety about the prospect of needing to return home for a family emergency or due to employee illness, are an effective complement to transit and rideshare incentives.

A successful TDM program for the project will include most, if not all, of the following features:

- Preferential parking for carpools and vanpools;
- Secure, convenient bicycle parking;
- Workplace showers and changing areas;
- Carpool match services for employees;
- Parking cash-out programs for alternative modes commuters; and
- Marketing and information programs to encourage alternative transportation modes (which could include partnering with other local organizations such as the Peninsula Congestion Relief Alliance).

Parking Conclusion

Based on a comparison of two parking occupancy rates, it was determined that a reasonable parking demand rate is in the range of 0.75 to 0.88. Typically many parking demand studies are based on the ITE rate. Using a blended ITE Parking rate of 0.80, approximately 110 parking stalls would be required. Since the proposed project would be providing 113 spaces, the parking provided is considered adequate.

Appendix A

- City of Menlo Park Significant Impact Criteria
- Existing Traffic Condition

Appendix B

- LOS Calculation Sheets: Near Term Traffic Conditions

Appendix C
- LOS Calculation Sheets: Near Term plus Project Traffic
Conditions

Appendix D

- LOS Calculation Sheets: Cumulative Traffic Condition

Appendix E

- LOS Calculation Sheets: Cumulative plus Project Traffic Condition

Appendix F

- Los Altos Marriott Residence Inn Parking Occupancy Survey

Memorandum



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website www.w-trans.com
email mspencer@w-trans.com

Date: February 27, 2013

To: **Mr. Chip Taylor**

From: Mark Spencer

Project: MPA900-2

Subject: Review of 555 Glenwood Avenue Traffic Analysis

This memorandum summarizes a review of the Traffic Impact Analysis of the proposed Marriott Residence Inn at 555 Glenwood Avenue in Menlo Park (TJKM, February 26, 2013). The review included the technical memorandum and appendices, with comparisons to the Menlo Park Downtown Specific Plan EIR transportation chapter.

Summary

In general, the traffic analysis concluded that the level of service at four of five study intersections would be considered acceptable and that the parking provided is considered adequate. These conclusions are supported by a review of the technical memo and detailed analysis presented in the appendices.

For one intersection (Glenwood/Middlefield), the impact would be consistent with that identified in the Downtown Specific Plan EIR. The mitigation measure (traffic signal) identified in the Downtown Specific Plan EIR would mitigate the 555 Glenwood Avenue project's impact. Although the project's fair share contribution to the impact would be relatively low, it is recommended that the proposed 555 Glenwood Avenue project pay a fair share of the cost of this mitigation. The calculation and fee contribution will be determined later.

With respect to parking, while the proposed parking supply of 113 spaces the project would accommodate the projected parking demand of 110 spaces, additional discussion should be included in the memo regarding the need for a parking variance, and the use of on-street spaces to satisfy parking requirements.

Comparison to El Camino Real/Downtown Specific Plan EIR Analysis

The proposed 555 Glenwood Avenue project site is within the El Camino Real/Downtown Specific Plan area, and is currently in use as a senior citizens retirement living center. Although hotels are an identified land use in the Specific Plan, the 555 Glenwood Avenue site was not identified as an opportunity site in the Specific Plan (per Figure 3-2 of Specific Plan EIR). However, the size of the proposed hotel and the net number of new trips generated is well within the land use and transportation analysis assumptions used in the overall Downtown Specific Plan EIR transportation analysis.

Based on a review of the Downtown Specific Plan EIR and the February 26, 2013 Traffic Impact Analysis Memo, there is no need at this time for a more detailed transportation impact analysis of the proposed project. The potential impacts of the 555 Glenwood Avenue project are covered by the Downtown Specific Plan analysis and mitigation measures. The Glenwood/Middlefield intersection would be

impacted by the Specific Plan under both Project and Cumulative Conditions. Mitigation Measure TR-1b of the Specific Plan EIR is installation of a traffic signal at this intersection with fair-share funding coming from individual project applicants. However, the Specific Plan impact is significant and unavoidable as the intersection is under the Town of Atherton's jurisdiction, and therefore the City of Menlo Park cannot guarantee implementation of the mitigation measure. The proposed 555 Glenwood Avenue project impacts this intersection as well, and should contribute a fair share contribution towards the traffic signal mitigation measure.

The February 26, 2013 Memo also notes that Transportation Demand Management (TDM) measures may be used to lower the project's trip generation. However, there is no analysis in the memo to support that this would reduce the project's impact to a less than significant level, and therefore the impact is significant and unavoidable (as it is in the Downtown Specific Plan EIR).

The other intersection that is impacted under the Downtown Specific Plan is El Camino Real/Valparaiso/Glenwood. The proposed 555 Glenwood Avenue project would not impact this intersection as it would not generate enough peak hour trips to trigger an impact. This is also relevant in that project trips would be dispersed as they move further from the site. Thus, if there aren't enough trips to trigger an impact at the El Camino Real/Valparaiso/Glenwood, it stands to reason that there would be fewer trips further from the site, and the less chance of triggering an impact at intersections along El Camino Real or elsewhere.

Comments on Technical Memo

The February 26, 2013 Memo prepared by TJKM was reviewed in detail. Comments on the memo are listed below.

Traffic Analysis

The analysis looks acceptable per City of Menlo Park Traffic Impact Analysis Guidelines and is consistent with prior City traffic studies of development projects. Checks of the intersection LOS calculations and analysis parameters (lane geometry, traffic volumes, peak-hour factor, saturation flow, and traffic control) looked acceptable.

In the analysis methodology, growth factors were used to calculate the 2035 cumulative traffic volumes, as opposed to using data from the Downtown Specific Plan EIR. Generally, the forecasted traffic volumes and intersection level of service results were similar, and this approach allowed for the addition of project trips to be compared to a future baseline for impact determination.

The roadway segments that were analyzed in the February 26, 2013 Memo included Glenwood Avenue and Middlefield Road. Middlefield Road would be impacted under the Downtown Specific Plan EIR. The analysis in the February 26, 2013 Memo concluded that the project would not result in an impact along either of these roadways, based on its projected daily trip generation.

Parking Analysis

The Parking supply and demand analysis was based on ITE *Parking Generation* rates. Using a blend of ITE rates for a business hotel and an all-suites hotel resulted in a projected parking demand of 110 parking spaces. With 113 spaces being provided, including allowance of on-street parking, the parking demand of 110 spaces would be satisfied.

It is also recommended that the parking analysis discussion include the following elements:

- Parking Variance
 - Replace the term “considered considerably higher” with “different.”
 - When mentioning Footnote #6 from Table FI of the Downtown Specific Plan, the memo should note that it states: *If a use is not listed in this table, a project applicant may propose a rate from ULI Shared Parking or other appropriate source or survey for the review and approval of the Transportation Manager.* In this case the source is the ITE Parking Generation.
 - The memo should note that the number of off-street and on-street parking spaces, and that this project would require the City to allow on-street public parking to be counted towards the parking supply of a private development.

**555 Glenwood Avenue Project (Marriott Residence Inn)
Mitigation Monitoring and Reporting Program (MMRP)**

Introduction

The California Environmental Quality Act (CEQA) requires the adoption of feasible mitigation measures to reduce the severity and magnitude of significant environmental impacts associated with project development. The El Camino Real/Downtown Specific Plan process included detailed review of projected environmental impacts through a program Environmental Impact Report (EIR). In compliance with CEQA requirements, the Draft EIR was released in April 2011, with a public comment period that closed in June 2011. The Final EIR, incorporating responses to Draft EIR comments, as well as text changes to parts of the Draft EIR itself, was released in April 2012, and certified along with the final Plan approvals in June 2012. The Program EIR provides the initial structure for review of subsequent development proposals, such as the subject 555 Glenwood Avenue Project.

CEQA requires reporting on and monitoring of mitigation measures adopted as part of the environmental review process (Public Resources Code Section 21081.6). This Mitigation Monitoring and Reporting Program (MMRP) is designed to aid the City of Menlo Park in its implementation and monitoring of relevant measures adopted from the certified Program EIR.

The mitigation measures are taken from the certified EIR. The MMRP is presented in table format and it describes the actions that must take place to implement each mitigation measure, the timing of those actions, the entities responsible for implementing and monitoring the actions, and verification of compliance.

Menlo Park 555 Glenwood Avenue Project Mitigation Monitoring and Reporting Program				
Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
AIR QUALITY				
<i>IMPACT BEING ADDRESSED: Impact AIR-2: Implementation of the Project would result in increased long-term emissions of criteria pollutants from increased vehicle traffic and on-site area sources that would contribute substantially to an air quality violation. (Significant)</i>				
See Mitigation Measure TR-2.				
TRANSPORTATION, CIRCULATION AND PARKING				
<i>IMPACTS BEING ADDRESSED: Impact TR-1: Traffic from future development in the Plan area would adversely affect operation of area intersections. (Significant); and Impact TR-7: Cumulative development, along with development in the Plan area, would adversely affect operation of local intersections. (Significant)</i>				
<p><i>Mitigation Measure TR-1b (also TR-7f):</i> The individual project applicant(s) shall contribute fair-share funding towards the following improvement at the intersection of Middlefield Road and Glenwood Avenue/Linden Avenue:</p> <ul style="list-style-type: none"> • Signalization when investigation of the full set of traffic signal warrants indicate that signalization is warranted. 	Calculation of fair-share funding and payment	Payment required prior to building permit issuance	Project Sponsor	CDD/PW

Menlo Park 555 Glenwood Avenue Project Mitigation Monitoring and Reporting Program				
Mitigation Measures	Action	Timing	Implementing Party	Monitoring Party
TRANSPORTATION, CIRCULATION AND PARKING				
<i>IMPACTS BEING ADDRESSED: Impact TR-2: Traffic from future development in the Plan area would adversely affect operation of local roadway segments. (Significant); and TR-8: Cumulative development, along with development in the Plan area would adversely affect operation of local roadway segments. (Significant)</i>				
<i>Mitigation Measure TR-2 (also TR-8):</i> New developments within the Specific Plan area, regardless of the amount of new traffic they would generate, are required to have in-place a City-approved Transportation Demand Management (TDM) program prior to project occupancy to mitigate impacts on roadway segments and intersections.	Preparation, approval, and implementation of a TDM program	Submittal of draft TDM program concurrent with building permit submittal; City approval of plan prior to building permit issuance; Ongoing implementation of program elements	Project Sponsor	CDD/PW

**LICENSE AGREEMENT AND ENCROACHMENT PERMIT FOR USE OF
PARKING AREA**

Revised DMV 03.12.13

This License Agreement and Encroachment Permit (“Agreement”) is made as of _____, 2013, by and between The City of Menlo Park, a municipal corporation of the State of California (herein the “City”), and Sand Hill Property Company, a _____, or an entity affiliated with Sand Hill Property Company, or its successors in interest or assigns in and to the right title and interest of the below-defined Subject Property, (herein the “Company”).

RECITALS:

Whereas, the “Company” is the fee title holder to that certain real property located at 555 Glenwood Avenue, City of Menlo Park, County of San Mateo, State of California, more particularly described on Exhibit A attached hereto (herein the “Subject Property”).

Whereas, the 1500 block of Garwood Way, a public right of way (as to that portion, herein the “Right of Way”), is situated adjacent to the Subject Property. The Right of Way as of the date of this Agreement is a dead end, not a through street. Use of the Right of Way is currently limited to the Subject Property.

Whereas, the City plans to extend Garwood Way, or cause Garwood Way to be extended, onto and through properties which are adjacent to the Subject Property as a through roadway.

Whereas, there are approximately thirty nine (39) parking spaces located within and/or adjacent to the Right of Way per Exhibit “A” that have been constructed, used, and maintained by and for the Subject Property for parking for vehicles of persons making use of the improvements on the Subject Property (herein the “Right of Way Parking”).

Whereas, the Company has submitted to the City a plan for a change of use of the Subject Property to hotel use (the “Project”), which plan incorporates the use of the Right of Way Parking for the exclusive use and benefit of the Subject Property.

Whereas, the City Council has approved City Resolution _____ approving the _____ permit (the “Permit”) that authorizes the change of use of the Subject Property to hotel use, which Permit incorporates the use of the Right of Way Parking for the exclusive use and benefit of the Subject Property in a manner that will provide adequate parking for the use of the Subject Property for hotel use.

Whereas, the Permit requires that the Company and the City make and enter into a License Agreement that documents the rights of the Subject Property to have the exclusive right of use of the Right of Way Parking subject to the Subject Property being used for hotel purposes that generate to the City transient occupancy taxes.

Whereas, the City Council, by its Resolution No. _____ hereby finds that the grant to the Company by the City of a license for the exclusive use of the Right of Way Parking will be beneficial to the City and the public because the providing of such

exclusive use of the Right of Way Parking will enable the Subject Property to be used as and for hotel purposes that generate to the City transient occupancy taxes.

NOW, THEREFORE, in consideration of the mutual covenants and declarations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, City and the Company each agree as follows:

1. Exclusive Rights of Use of Parking Area. City hereby grants to Company a license for the exclusive right for use of that certain area within the Right of Way containing approximately thirty nine (39) parking spaces located in the area described in Exhibit "A" to this Agreement (the "Parking Area") on the terms and conditions stated in this Agreement as a right that is appurtenant to the Subject Property described in this Agreement.

2. Improvements to Right of Way. In consideration of the grant of the rights of use herein provided, the Company shall improve the Right of Way Parking in accordance with the Permit requirements and maintain the Right of Way Parking as herein provided. If the City revises or extends the Right of Way, and in doing so, revises or alters the location of the Right of Way Parking, the Company agrees to operate and maintain the Right of Way Parking as so revised or altered. If the Right of Way Parking is revised or altered, City and the Company agree to modify Exhibit "A" to show the Right of Way Parking as so revised or altered.

3. Term of Use Rights. The Company shall have the rights to use Right of Way Parking and the license herein granted shall endure as long as the Company is using the Subject Property as a hotel facility that generates a minimum amount of transient occupancy taxes ("Hotel Purposes"), subject to the rights of the City and Company to terminate this Agreement as provided in Paragraph 5 hereof. For the purposes of this Agreement, the "minimum amount of transient occupancy taxes" to qualify the Subject Property for Hotel Purposes shall mean that at least 50% of total room occupancy operating revenue of Subject Property shall be subject to Transit Occupancy Tax for 2 consecutive years.

4. Payment Obligations.

(a) The Company shall pay to the City transient occupancy taxes or an in lieu amount for the Hotel Use on the basis set forth in this Paragraph.

(i) The Company shall pay to the City transient occupancy taxes for the Hotel Use in accordance with City Ordinances.

(ii) If, after the first full year of operations after hotel opening, the use of the Subject Property as and for Hotel Purposes does not in any year generate transient occupancy tax to the City on at least 85% of total room occupancy revenue from the Subject Property (the "TOT"), then the Company shall pay to the City an in lieu amount (the "In Lieu Amount") equal to the difference between (i) the amount of TOT actually generated and paid by the Company for transient occupancy use of the Subject Property in that calendar year and (ii) the amount of TOT that would otherwise be generated and paid on 85% of total room occupancy revenue from the Subject Property

up to an amount of \$50,000, payable in 12 equal monthly installments in the ensuing year.

(iii) If, after first full calendar year of operations after hotel opening, the use of the Subject Property as and for Hotel Purposes does not generate transient occupancy tax to the City in any calendar year in an amount equal to at least \$400,000, then the Company shall pay to the City an in lieu amount (the "In Lieu Amount") equal to the difference between (i) the amount of TOT actually generated and paid by the Company for transient occupancy use of the Subject Property in that calendar year and (ii) \$400,000 up to an amount of \$50,000 payable in 12 equal monthly installments in the ensuing year.

(iv) For the first year of calculation of TOT, the amounts payable and the minimum amounts generated shall be prorated for any partial year of operations.

(v) Notwithstanding the provisions of (ii) above, if the amount of TOT paid in any calendar year exceeds \$700,000 then, even if the TOT generated transient occupancy revenue was less than 85% of total room occupancy revenue from the Subject Property then the Company shall not be obligated to pay any In Lieu Amount under (ii) above.

(vi) In no event shall the In Lieu Amount due and payable to the City pursuant to (ii) and (iii) above in any year exceed the total sum of \$50,000.

(vii) If after the date which is five (5) years after the opening of the hotel by the Company on the Subject Property, the Company continues its exclusive use of the Parking Area, then, commencing on the date that is five (5) years after the opening of the hotel by the Company, the City shall have the right to impose rent on the Company in an amount equal to the Fair Rental Value for the exclusive use of the Parking Area going forward on a monthly basis. If the City elects to commence said rent (which election shall be made in writing and delivered to Company no earlier than four (4) years from the opening of the hotel) and the City and the Company cannot agree upon the Fair Rental Value for the exclusive use of the Parking Area then such Fair Rental Value shall be determined by the following process:

Fair Rental Value Determination: Fair Rental Value for the exclusive use of the Parking Area hereunder shall be rent for exclusive use of 39 stalls of comparable type, nature and location of parking spaces in the City of Menlo Park [being outdoor, unsecured spaces, adjusted for the maintenance, insurance, and indemnification, etc., being provided by the user]. The City and the Company shall negotiate in good faith to agree on the Fair Rental Value of the Parking Area, which City shall determine administratively by the City Manager and without the necessity of obtaining City Council approval. If the City and the Company are unable to agree on a mutually acceptable Fair Rental Value within thirty (30) days after notification by the City to Company of the City's determination of Fair Rental Value of the Parking Area (which notification shall not be given less than six (6) months prior to the intended rent commencement date), then on or before such date City and the Company shall each appoint a licensed real estate broker [or appraisers if the parties so agree] as an arbitrator with at least ten (10) years of experience in leasing and or valuation of commercial real estate and rents in the Menlo Park area to act as arbitrators. The two (2) arbitrators so appointed shall each separately determine the Fair Rental Value of the Parking Area and each shall submit his or her

determination of such Fair Rental Value to the City and the Company in writing, within thirty (30) days after their appointment. If the two (2) arbitrators so appointed cannot agree on the Fair Rental Value for within such 30-day period, the two (2) arbitrators shall within five (5) days thereafter appoint a third arbitrator who shall be a real estate broker or real estate appraiser with at least ten (10) years of in leasing and or valuation of commercial real estate and rents in the Menlo Park area. The third arbitrator so appointed shall independently determine the Fair Rental Value of the Parking Area within thirty (30) days after appointment, by selecting from the proposals submitted by each of the first two arbitrators the one that most closely approximates the third arbitrator's determination of such Fair Rental Value. The third arbitrator shall have no right to adopt a compromise or middle ground or any modification of either of the proposals submitted by the first two arbitrators. The proposal chosen by the third arbitrator as most closely approximating the third arbitrator's determination of the Fair Rental Value shall constitute the decision and award of the arbitrators and shall be final and binding on the parties. Each party shall pay the fees and expenses of the arbitrator appointed by such party and one-half (1/2) of the fees and expenses of the third arbitrator. If either party fails to appoint an arbitrator, or if either of the first two arbitrators fails to submit his or her proposal of Fair Rental Value to the other party, in each case within the time periods set forth above, then the decision of the other party's arbitrator shall be considered final and binding.

(viii) Notwithstanding the provisions of (vii) above, if the amount of TOT paid in any calendar year exceeds the amount of \$700,000 then the Company shall not be obligated to pay the Fair Market Rent under (vii) above.

(ix) Once such Rent commences under Section 4.(vii), then the provisions of 4(a) (ii) and 4(a) (iii) will no longer be operative.

5. Termination of Rights of Use. The City shall have the right to terminate this Agreement and the rights of the Company to use the Parking Area if any one of the following events occurs:

(a) Failure to Pay TOT: Subject to paragraph 5(f) herein, if the Company fails to pay the TOT or the In Lieu Amount on a timely basis the City shall have the right to terminate this Agreement. If the City determines that the Company has failed to pay the TOT or the In Lieu Amount, City shall send written notice to the Company, stating the amounts of TOT or In Lieu Amount that the City has determined have not been paid. If Company does not pay such amounts within sixty (60) days from the City notice, the City can then terminate this Agreement by written notice to the Company. If the Company disputes in writing the City claims as to such amounts being owed within sixty (60) days from the City notice, then Company and City shall meet and confer within sixty (60) days from the date of the Company's notice to the City to resolve the dispute. If the City and the Company are not able to resolve the dispute within such sixty (60) days, then the dispute shall be resolved by arbitration as set forth in Paragraph 13 of this Agreement.

(b) Cease to Use for Hotel: The City shall have the right to terminate this Agreement if the Company fails to operate the Subject Property for and as a Hotel Use, meaning for the purposes of this Agreement that the Subject Property does not provide TOT to the City in a minimum amount of 50% of total room occupancy operating revenue of Subject Property for two (2) consecutive years unless the Company pays to the City an amount equal to the difference of the amounts of TOT actually paid in the

preceding two (2) years and the amount of TOT that would equate to a minimum amount of 50% of total room occupancy operating revenue of Subject Property for 2 consecutive years. If the City determines that the Company has failed to operate the Subject Property for and as a Hotel Use, City shall send written notice to the Company, stating that the City has determined that Company has failed to operate the Subject Property for and as a Hotel Use and the basis for the City's determination. If Company does not within 60 days after such notice from the City provide City with information reasonably acceptable to City, in City's discretion, that the Subject Property will be operated in a manner that will generate TOT of at least 50% of total room occupancy operating revenue of Subject Property within the next six (6) months, the City can then terminate this Agreement by written notice to the Company unless the Company pays to the City an amount equal to the difference of the amounts of TOT actually paid in the preceding two (2) years and the amount of TOT that would equate to a minimum amount of 50% of total room occupancy operating revenue of Subject Property for 2 consecutive years. For purposes of this paragraph, payment of any In Lieu Amount shall not count toward the calculation of TOT paid to the City. If the Company disputes in writing the City claims as to such amounts being owed within sixty (60) days from the City notice, then Company and City shall meet and confer within sixty (60) days from the date of the Company's notice to the City to resolve the dispute. If the City and the Company are not able to resolve the dispute within such sixty (60) days, then the dispute shall be resolved by arbitration as set forth in Paragraph 13 of this Agreement.

(c) If the Company should close down the business or convert the use to a different use and thereby cease to use the Subject Property for Hotel Purposes for a period of six (6) consecutive months, then the City shall have the right upon written notice to the Company to terminate this Agreement and the rights of use of the Right of Way Parking within one hundred eighty (180) days after such notice unless the Company commences use of the Subject Property for Hotel Purposes within said one hundred eighty (180) days.

(d) If the Company should violate or fail to perform any material covenant of Company under this Agreement the City shall have the right to terminate the rights of the Company to use the Right of Way Parking by delivery to the Company written notice of the asserted violations, stating in reasonable detail the nature of the violations and the steps required for the cure thereof. If the Company should fail to (i) cure such violations within one hundred twenty (120) days after such notice (ii) commence to cure such violation that is not reasonably subject to cure within one hundred twenty (120) days, and pursue such cure with reasonable diligence or (iii) commence arbitration regarding such allegations of the City as to such violations within one hundred twenty (120) days after such notice, then the City shall have the right upon thirty (30) days written notice to the Company to terminate this Agreement and the rights of use of the Right of Way Parking.

(e) The parties agree to use due diligence and commercially reasonable efforts to obtain reasonable alternative parking arrangements for the use of the Company in an amount equivalent to the Right of Way Parking in an area contiguous to the Subject Property other than in the Right of Way, and if such alternative parking arrangements are obtained, upon usage thereof by Company either the City or the Company may terminate this Agreement and the use of the Right of Way Parking by the Company by written notice to the other party.

(f) The Company shall have the right to terminate this Agreement and any concomitant obligations at any time; provided, however, any termination of this Agreement shall not terminate or release any accrued financial obligation due and owing to the City. In this event, the City shall cooperate to execute and record such instruments as are necessary to extinguish the license established by this Agreement.

(g) The provisions of this Paragraph 5 shall be subject to the rights of any lender that has a lien on the Subject Property to cure any cessation of operation of the Subject Property for Hotel Purposes or an asserted violation under this Paragraph 5, provided however that such lender shall have filed a recorded lien of a mortgage or deed of trust on the Subject Property or other instrument that provides the City an address for notice to such lender. Any notice of violation sent to the Company by the City under this Agreement, including a claim or assertion of failure to pay TOT or In Lieu Amounts, shall also be sent to any such lender that has filed a recorded lien of a mortgage or deed of trust on the Subject Property or other instrument that provides the City an address for notice to such lender.

6. Extent of Use. Company shall use the Right of Way Parking only for the parking of motor vehicles that are used by the Company, the employees, agents or contractors of the Company, and the invitees of the Company who are using the Subject Property as occupants of rooms in the hotel facilities within the Subject Property or other amenities within the improvements located within the Subject Property, or for other customers of the Subject Property, or by persons providing services to or making deliveries to the Subject Property.

7. Maintenance. The Company shall be responsible for upkeep, maintenance and repair of the Right of Way Parking, which upkeep, maintenance and repair the Company agrees to undertake in a reasonable and prudent manner. There shall be no contribution with respect to the costs thereof by City.

(a) The Company shall keep the Right of Way Parking in clean condition and generally good repair including cleaning, striping, and maintenance. In coordination with the City's Transportation Engineer, the Company shall have the right to re-stripe and/or re-configure the parking lay-out so long as the quantity of stalls is not reduced and the dimensions of the individual stalls meet City standards.

(b) If the Company fails to maintain and operate the Right of Way Parking and such failure, in the determination of the City results in a condition that the City determines to be unsafe or dangerous to the public, the City shall have the right, but shall be under no obligation to enter the Right of Way on 48 hours' notice, except in emergency situations, when no such notice shall be required, to undertake repairs or other action the City deems required to eliminate or rectify any such unsafe or dangerous condition if the Company fails to remedy such unsafe or dangerous condition within such 48 hours. If the City undertakes any such repair or action, the Company shall reimburse the City for its reasonable costs and expenses for such repair or action. Any damage caused to roadway or other improvements in the Right of Way by the Company or its agents shall be repaired by Company at the Company's costs and expense after notice to Company from City.

(c) The City shall have the right to reconfigure the parking spaces within the Right of Way, or cause or require the reconfiguration of the parking spaces within the Right of Way in such manner as the City deems necessary and appropriate to provide for a safe path of travel, revised storm drainage or utility facilities or use of the Right of Way by motor vehicles, pedestrians and bicyclists, provided, however, that the Company shall, in such event, be provided with sufficient parking spaces within the Right of Way area to achieve number of parking spaces adequate for Hotel Operations (not to exceed the number of parking spaces existing prior to such reconfiguration), or the area of the Right of Way as such Right of Way may be extended or expanded, unless and until alternative locations for such parking spaces is provided in parcels contiguous to the Subject Property pursuant to this Agreement. The City will use its best efforts to cause or require the reconfiguration of the parking spaces within the Right of Way to occur in such manner as will provide the Company with essentially the same amount of parking spaces as is located in the Right of Way as of the date of this Agreement. Notwithstanding the foregoing, if, after any such reconfiguration of the Right of Way by the City, or if such reconfiguration is required by the City to be made by others, there are not sufficient parking spaces for the Hotel Use, the Company shall not be deemed to be in noncompliance with Permits for Hotel Use.

8. Insurance. The Company, at no cost and expense to the City, shall procure and keep in full force and effect during the term, for the mutual benefit of the City and Company, commercial general liability insurance with respect to the operations of or on behalf of Company or its agents, officers, directors, and employees in, on or about the Subject Property in an amount not less than Five Million Dollars (\$5,000,000) combined single limit bodily injury, personal injury, death and property damage, to the extent that such coverage is commercially reasonable to obtain, but in any event such coverage shall not be less than Two Million Dollars (\$2,000,000) per occurrence, with the Company policy expressly to be primary to any coverage maintained by the City with respect to claims arising out of the use of the parking spaces in the Right of Way by Company and its agents, invitees, etc. The Company may achieve such coverage using primary coverage of not less Two Million Dollars (\$2,000,000) per occurrence, with the remaining coverage achieved by the use of umbrella coverage. The policy or policies shall include that the City, including its officers, employees, attorneys and agents shall be additional insureds under such policy or policies.

9. Indemnity. The Company, as the owner of the dominant estate, hereunder hereby agrees to indemnify, defend, hold free and harmless the City of and from and against all claims, demands, losses, causes of action, damage, lawsuits, judgments, including attorneys' fees and costs, arising out of or relating to cost, damage and/or liability which arises from or relates to the acts or omissions of the Company as the owner of the dominant estate, or of its agents, employees, contractors, tenants or invitees, in using the rights herein granted, except to the extent that such cost, damage and/or liability arises from the negligence or willful misconduct of the City. The provisions of this paragraph shall survive the termination of this Agreement.

10. Rights Appurtenant. The rights licensed herein shall be appurtenant to the Subject Property, and cannot be transferred, assigned, or encumbered, except as an appurtenance to the Subject Property.

11. Notices:

(a) Notice shall be delivered to the City as follows:

copy to:

(b) Notice shall be delivered to the Company as follows:

copy to:

(c) Notice shall be sent to any owner of the Subject Property at the address established by that Owner in the records of the County tax assessor.

(d) Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service, with receipt acknowledgment requested, or (iii) upon receipt if transmitted by facsimile telecopy, with a copy sent on the same day by one of the other permitted methods of delivery.

12. Equitable Servitudes; Covenants Running With the Land. All of the rights, licenses, covenants and declarations herein contained shall be deemed to be equitable servitudes enforceable by any of the parties hereto or their successors and assigns. The rights, licenses, covenants and declarations set forth herein shall be covenants running with the land of the Subject Property and shall be binding upon and inure to the benefit of all parties having or acquiring any right, title or interest in any of the Subject Property herein described. The obligations of this Agreement shall be binding on the Company and its successors and assigns in and to the Subject Property and all parties having or acquiring any right, title or interest in or to the Subject Property, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each the Company and its successors and assigns.

13. Arbitration. All disputes, claims and other matters in question arising out of, or relating to, this Agreement, or the breach thereof may, at the election of any of the parties hereto, be decided by arbitration in accordance with the then current Commercial Arbitration Rules of Judicial Arbitration and Mediation Services (“JAMS”). This agreement to arbitrate shall be specifically enforceable in any court of law under the prevailing arbitration law. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. The arbitration shall be held in San Mateo County.

14. Attorneys Fees. In the event any party hereto institutes legal action or arbitration to enforce or interpret its rights under this Easement Agreement, then the prevailing party or parties shall be entitled to reasonable attorneys' fees in addition to other costs of suit as awarded by the court or arbitrator.

15. Estoppel Certificate. Any party may, at any time and from time to time deliver written notice to the other party requesting such latter party to certify in writing (a) that this Agreement is in full force and effect, (b) that, to the knowledge of the certifying party, the requesting party is not in default in the performance of its obligations under this Agreement, or, if in default, to describe therein the nature and amount of any and all defaults, and/or (c) with respect to such other reasonable business matters directly related to this Agreement. Each party receiving such request shall use its best efforts to execute and return such certificate within twenty (20) days following the receipt thereof.

16. Governing Law. This Easement Agreement shall be governed under the laws of California.

IN WITNESS WHEREOF, this Agreement is executed effective as of the date first above set forth.

Company: _____ **LLC, a California Limited Liability Company**

By: _____,

its Manager

City: City of Menlo Park

By: _____

Its: _____

Approved by City Council Resolution:

City Clerk of the City of Menlo Park

EXHIBIT A

RIGHT OF WAY PARKING

[CROSS HATCH PARKING AREAS ON PROPOSED SITE PLAN]

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING HERITAGE TREE REMOVAL PERMITS FOR THE PROPERTY LOCATED AT 555 GLENWOOD AVENUE

WHEREAS, on February 25, 2013, the City of Menlo Park (“City”) received an application from Sand Hill Property Company (“Project Sponsor”) for removal of three heritage trees at the property located at 555 Glenwood Avenue (“Project Site”) as more particularly described and shown in “Exhibit A”; and

WHEREAS, the removal of Heritage Trees within the City is subject to the requirements of Municipal Code Chapter 13.24, Heritage Trees; and

WHEREAS, the City Arborist initially reviewed the requested tree removals on-site on February 14, 2013 and formally considered the permits on February 26, 2013; and

WHEREAS, the City Arborist determined that the two ash trees located in interior courtyards have poor structure, and the palm tree conflicts with potential development improvements and creates an overcrowding risk with a neighboring oak tree; and

WHEREAS, the City Arborist determined that the proposed planting of approximately 16 new trees on site would be more compatible with the adjacent improvements; and

WHEREAS, all required public notices and public meetings were duly given and held according to law; and

WHEREAS, after notice having been lawfully given, a public meeting was scheduled and held before the Planning Commission of the City of Menlo Park on March 4, 2013 whereat all persons interested therein might appear and be heard; and

WHEREAS, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve the Heritage Tree Removal Permit; and

WHEREAS, after notice having been lawfully given, a public meeting was scheduled and held before the City Council of the City of Menlo Park on March 26, 2013 whereat all persons interested therein might appear and be heard.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby approves the Heritage Tree Removal Permits, which shall be valid until March 26, 2014 and can be extended for a period of one-year by the Community Development Director if requested by the applicant.

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-sixth day of March, 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-sixth day of March, 2013.

Margaret S. Roberts, MMC
City Clerk



PLANNING COMMISSION STAFF REPORT

FOR THE PLANNING COMMISSION
MEETING OF MARCH 4, 2013
AGENDA ITEM E1

LOCATION:	555 Glenwood Avenue	APPLICANT:	Sand Hill Property Company
EXISTING USE:	Senior Citizens Retirement Living Center	OWNER:	Glenwood Inn LLC
PROPOSED USE:	Limited-Service, Business-Oriented Hotel	APPLICATION:	Architectural Control, License Agreement and Encroachment Permit, and Heritage Tree Removal Permits
ZONING:	SP-ECR/D (El Camino Real/Downtown Specific Plan) - ECR NE-R (El Camino Real North-East - Residential)		

PROPOSAL

The applicant is requesting architectural control to modify an existing senior citizens retirement living center into a limited-service, business-oriented hotel in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The architectural control action includes consideration of a Public Benefit Bonus for a Floor Area Ratio (FAR) of 1.16, where 1.10 is the Base level FAR maximum and 1.50 is the Public Benefit Bonus level FAR maximum. The proposal includes the application of the Transportation Manager's discretion to approve a parking rate for a use type not listed in Specific Plan Table F2. The proposal also includes the provision of some required parking on the Garwood Way public right-of-way through a license agreement and encroachment permit. In addition, the proposal includes the removal of three heritage trees: two ash trees located in courtyards at the middle and right-rear corner of the parcel, and one palm tree located at the rear-left corner of the parcel.

The Planning Commission will act as a recommending body for this proposal. The Planning Commission's authority is primarily focused on the architectural control

portion of the request, although information on the other required actions is provided for context. The City Council will act comprehensively on all requests associated with the proposal.

BACKGROUND

In April and May 1987, the City Council approved a Planned Development (P-D) permit and associated P-D(3) district rezoning for a 138-room senior citizens retirement living center on a 2.25-acre site at 555 Glenwood Avenue. The P-D permit established a maximum gross floor area of 113,803 square feet, which represents a Floor Area Ratio (FAR) of approximately 1.16. In addition, the P-D permit required that the development provide "off-street parking for 82 vehicles and provide for additional parking on Garwood Way per Engineering Division requirements." The specific number of parking spaces along Garwood Way was not specified, and the City did not approve an encroachment permit or other mechanism that dedicated these spaces for the exclusive use of the development.

The Planning Commission subsequently approved precise development plans in August 1987, and the development was constructed between 1988 and 1990. The development consists of a central one-story building containing communal spaces (such as the lobby, dining, and office areas), surrounded by three-story buildings that contain the individual rooms. In November 1989, during the construction process, the Planning Commission approved a revision that allowed three on-site parking spaces (at the rear of the development) to be removed in exchange for the development of five additional on-street spaces along Garwood Way, due to a conflict with an on-site oak tree. As with the original action, no encroachment permit or other mechanism for exclusive use of the on-street spaces was approved at this time.

The property has since been in use as a senior residential facility, branded initially as the "Glenwood Inn" and renamed more recently to "Casa on the Peninsula." The facility is age-restricted to seniors and provides independent and assisted living options, but is not a skilled nursing facility that provides specialized medical care. Casa on the Peninsula provides a market-rate housing option for seniors (as opposed to subsidized affordable housing). As reported by the applicant, the owners of the property have conducted revisions over time, such that the number of units is now 125 (due to some single-bedroom units being combined into two-bedroom units), and the number of on-site parking spaces is 74. The east side of Garwood Way, next to the Caltrain tracks, features 30 perpendicular parking spaces in the public right-of-way, which currently have signage stating they may only be used by the 555 Glenwood Avenue facility. The west side of Garwood Way provides nine parallel parking spaces, which do not feature any signage regarding their use. No parking is permitted on Glenwood Avenue in the immediate vicinity of the development; this street features bicycle lanes on both sides of the roadway, and there does not appear to be room to add any on-street parking.

In June 2012, the City Council approved the El Camino Real/Downtown Specific Plan ("Specific Plan"), which rezoned the subject property from P-D(3) to the new SP-ECR/D

zoning district. The Specific Plan established that existing discretionary approvals (such as P-D permits) for developments in the SP-ECR/D district will continue to be honored and enforced, but properties may elect to proceed with new or modified development in accordance with Specific Plan regulations. Within the Specific Plan, the 555 Glenwood Avenue parcel is in the El Camino Real Mixed Use/Residential land use designation and the ECR NE-R zoning district. Full information on the Vision and Specific Plan projects (including staff reports, meeting video, environmental and fiscal review documents, analysis memos, and workshop presentations and summaries) is available on the City's web site at: <http://www.menlopark.org/specificplan>

On October 30, 2012, the City Council held a study session to provide initial feedback on the potential conversion of 555 Glenwood Avenue to a hotel use. The Council did not make any motions or other group actions, but the Council Members' individual feedback has been considered by the applicant and staff as the project review has proceeded. The applicant, Sand Hill Property Company, currently owns and operates a hotel similar to the proposed facility ("Marriott Residence Inn Palo Alto Los Altos," in Los Altos). The applicant does not currently own or operate the subject property, but is in contract to purchase it from the current owner and business operator.

ANALYSIS

Site Location

The subject property is located at 555 Glenwood Avenue, at the corner of Glenwood Avenue and Garwood Way. A location map is included as Attachment A. Glenwood Avenue is the property's primary functional frontage, and this report's references to site orientation use it as the "front."

The adjacent properties are occupied by a variety of commercial uses, including a language school, restaurants, and offices. In addition, the property is adjacent to a large vacant multi-parcel site addressed 1300 El Camino Real, which has approved plans for a mixed-use retail-office development; however, construction has not yet commenced and the current property owners have indicated interest in possibly pursuing a revised project. The adjacent parcels are all likewise part of the SP-ECR/D zoning district.

Garwood Way in this location is a dead-end street that extends the length of the subject property and the 1300 El Camino Real property. The City has an adopted plan line to extend Garwood Way to Oak Grove Avenue, although there are no immediately-pending plans to implement this extension. Garwood Way is directly adjacent to the Caltrain rail corridor.

Project Description

The applicant is proposing to convert the existing senior citizens retirement living center into a limited-service, business-oriented hotel. As part of this conversion, the

applicant would conduct interior, exterior, and landscaping improvements, as shown on the project plans (Attachment B). However, the project would not include the construction of any new floor area or building coverage. The interior public spaces, located in the central one-story building, would be reconfigured to support the hotel use, with dining, meeting, and computer rooms. The three-story residential buildings would be renovated to provide 138 hotel suites, within the outlines of the 138 rooms that were originally approved. Specific aspects of the proposal are discussed below. The applicant has submitted a project description letter, which describes the proposal in more detail (Attachment C).

Hotel Use

The Specific Plan establishes various uses as permitted, permitted with limitations, administratively permitted, conditionally permitted, and prohibited for its land use designations. In the El Camino Real Mixed Use/Residential land use designation, hotels are a permitted use. The Specific Plan "hotel" definition specifically includes "extended-stay hotels," although it excludes "rooming hotels, boarding houses, or residential hotels designed or intended to be used for sleeping for a period of 30 consecutive days or longer." The excluded types of uses typically do not provide any Transient Occupancy Tax (TOT), whereas the permitted hotel types typically provide a mixture of stays that are, and are not, subject to TOT. No discretionary use permit review is required for the hotel land use type, although projects that propose new construction or substantial exterior modifications require architectural control review.

The applicant is proposing that the specific hotel brand be a Marriott Residence Inn, which provides extended-stay accommodations, typically a week or longer. The applicant reports that 77 percent of room revenue at the applicant's Marriott Residence Inn in Los Altos is from guests staying less than 30 days, and as such is subject to TOT. This assumption has been replicated in the fiscal analyses discussed in a following section, although the actual performance of the proposed Menlo Park facility could differ.

The proposed hotel use type meets the Specific Plan hotel definition in that it would be an extended-stay hotel with a majority of revenue subject to TOT. No TOT monitoring or performance standards would be required for a hotel project of this type that met the Base level development standards and provided all required parking on-site. However, because this proposal requires a determination of a Public Benefit Bonus and approval of a license agreement and encroachment permit for off-site parking, and because both of these actions would be justified at least in part by the projected TOT revenue, staff is recommending conditions/terms that would ensure certain minimum levels of TOT and/or revoke or revert the use if it does not meet certain revenue standards. These conditions/terms are discussed in more detail in subsequent sections, and were structured to address the City's interests while also acknowledging development limitations (in particular with regard to typical financing requirements).

Design and Materials

The applicant is proposing relatively modest exterior changes to the existing structures. As noted previously, no new gross floor area or building coverage would be added to the development. The primary exterior modifications would consist of:

- Repainting of all buildings;
- Replacement of ground-level patio screens with a new fencing treatment; and
- Comprehensive landscaping enhancements (discussed in more detail in the following section).

Because the existing architectural design was approved previously, only the changes are required to be evaluated with regard to the El Camino Real/Downtown Specific Plan's standards and guidelines. The proposed repainting would establish four distinct tones: a pale orange or peach (to match Pantone DS 18-7 C), a light beige (to match Pantone DS 29-9 C), a darker beige (to match Pantone DS 313-9 C), and a slate gray (to match Pantone DS 329-5 C). These tones would be applied in a manner that would subtly accentuate the existing projections and recessed areas, and would all be relatively muted hues consistent with the surrounding buildings. The Specific Plan does not specify use of any particular colors, although it does suggest changes of color as one potential mechanism to accentuate major and minor façade modulations (Section E.3.4.2, "Façade Modulation and Treatment"). Although the proposal is not required to address the façade modulation requirements, given that the building footprint and envelope are not proposed to change, the introduction of greater variation in color would be consistent with this section of the Specific Plan.

The proposed patio screen update would involve the replacement of painted lattice grids at the ground-level with new horizontal wood fencing. The new fence treatment would introduce a new natural wood tone, with gaps that would continue to provide a mix of privacy and transparency. Staff believes this change is consistent with relevant guidelines of Section E.3.5, "Ground Floor Treatment, Entry and Commercial Frontage," in particular those that discourage blank walls at the ground level, and encourage non-retail ground-floor uses to be enhanced with interesting building design and materials.

New signage would be subject to future ministerial sign permit review and approval. As part of the initial staff review of the proposal, the Engineering Division identified a requirement for a new accessible sidewalk ramp at the Garwood Way and Glenwood Avenue intersection, which is shown conceptually on the project plans and required as part of the recommended action (condition 4a).

Sustainability

The Specific Plan establishes sustainability standards and guidelines, in particular Standard E.8.03, which requires projects to achieve LEED certification at a Silver level or higher (to be verified either directly through the U.S. Green Building Council, or

through an independent auditor program if established by the City) if they meet a number of criteria, including:

- Major alterations that are 20,000 gross square feet or more in existing buildings of Group B, M and R occupancies, where interior finishes are removed and significant upgrades to structural and mechanical, electrical and/or plumbing systems are proposed.

Although the project appears to meet the square footage, occupancy, and interior finish triggers, the project as currently proposed does not appear to be proposing significant upgrades to the structural and mechanical, electrical and/or plumbing systems. As such, this requirement would not apply. However, upon completion of a full building permit application, the project scope could be revised to potentially qualify for this provision. Staff has included a condition of approval requiring submittal of an applicant report providing details on upgrades to the structural and mechanical, electrical and/or plumbing systems, concurrent with building permit submittal. If staff determines that such upgrades are significant, the LEED Silver certification (or equivalent) would be required prior to building permit final inspection (condition 4b).

Open Space and Landscaping

The applicant is proposing comprehensive landscaping improvements, with the intent of refreshing the overall site’s appearance. On the public sides of the parcel, no trees would be added or removed, with the exception of one new aristocrat pear to be added at the main entry on Glenwood Avenue, filling in a gap between similar trees. New low flowering shrubs would also be added at the main entry, helping establish a focus at this location. A limited amount of enhanced paving at the main entry plaza would also help mark this as the primary public entrance. The property’s internal courtyards would feature improvements such as new enhanced paving and bench seating, along with various new plantings. In the largest and most central courtyards, the applicant is proposing to add a fire pit and a barbeque area as guest amenities.

The applicant is proposing that three heritage trees be removed:

<u>Tree Type</u>	<u>Diameter</u>	<u>Location on Property</u>	<u>Condition</u>	<u>Basis for Removal Request</u>
Shamel ash	28.8 inches	Center courtyard	Fair	Health/structure
Shamel ash	35.3 inches	Rear-right corner courtyard	Fair	Health/structure
Mexican fan palm	23 inches	Rear-left corner loading area	Good	Construction and crowding with oak

The applicant is proposing to plant approximately 16 new trees, which would primarily be smaller ornamental species in recognition of the site constraints. The City Arborist has reviewed and tentatively approved the removals and proposed replacement plantings. The City Council will review and act on the requested removals in conjunction with the overall project actions (Attachment D).

The project would be required at the time of building permit submittal to submit a detailed landscape plan demonstrating compliance with the City's Water-Efficient Landscaping Ordinance (WELO), as well as submit a comprehensive site-wide arborist report to ensure protection of all remaining heritage trees (conditions 3g and 4c).

Public Benefit Bonus

As previously noted, the El Camino Real Mixed Use/Residential land use designation permits hotel uses. However, the Specific Plan also establishes a two-tier density/intensity system, in which uses that exceed the Base level dwelling units per acre and/or Floor Area Ratio (FAR) standards are required to pursue a discretionary Public Benefit Bonus process.

For the 555 Glenwood Avenue property, the ECR NE-R zone establishes a Base level maximum FAR of 1.10, and a Public Benefit Bonus level maximum FAR of 1.50. The subject property has an FAR of approximately 1.16. Although the building size is already approved for the current senior living center use, the change of use at a Public Benefit Bonus level requires Planning Commission review, with City Council review required on appeal or when the overall set of project actions is subject to the discretion of that body. Because this proposal includes Council review of a license agreement and encroachment permit and heritage tree removal permits, the Council will make all final actions on the project, including the Public Benefit Bonus determination.

The Public Benefit Bonus process as outlined in the Specific Plan provides a flexible structure for consideration of such requests, requiring a study session informed by appropriate fiscal/economic review (for this proposal, the October 30, 2012 City Council study session is considered to have addressed this requirement), and providing some suggested elements for consideration. In particular, hotels are called out as one recommended option, as such a facility "generates higher tax revenue for the City while also enhancing downtown vibrancy."

To inform the Planning Commission and City Council's consideration of the Public Benefit Bonus, the applicant has prepared a limited economic benefit review, which is included as Attachment E. An initial version of this review was summarized as part of the October 30, 2012 study session staff report, although it has been revised since then. Since the earlier meeting, the City has conducted an independent peer review, which is available as Attachment F.

The limited economic benefit review concludes that the proposal would generate substantially more revenue to the General Fund than does the existing use, primarily due to new TOT revenues. Specifically, the applicant's analysis projects that the hotel use would increase annual revenues from the property by approximately \$669,000. Of this amount, approximately \$656,000 would be from TOT, collected at the 12 percent rate that was approved by Menlo Park voters as part of the November 6, 2012 general election. The City's independent peer review found the overall methodology of the applicant's analysis appropriate (the consultant noted some minor discrepancies that

would not affect any substantive conclusions), and also found that an independent market assessment shows strong potential demand for the proposed use. The peer review does note that the applicant's analysis is based on the current market conditions (primarily 2011 data from the applicant's Los Altos hotel facility) and that longer-term regional trends could potentially result in reduced revenues. However, a conservative alternative TOT calculation, provided in the independent peer review for comparison purposes, still projects significant annual TOT revenues (\$616,000, or a six-percent reduction compared to the applicant's analysis).

Staff believes that the revenue increase associated with the proposal would be a substantial public benefit to the City. As noted previously, although the Public Benefit Bonus review is conducted on a case-by-case basis, hotel facilities are explicitly called out by the Specific Plan as a suggested consideration for such a bonus because of their inherent revenue and vibrancy benefits. In addition, the FAR level that is being requested is 1.16, which would represent only a 5.5 percent increase above the 1.10 Base level. This level would also be well below the maximum 1.50 Public Benefit Bonus level. Staff believes that the benefits to the City (even assuming the alternative TOT calculation projection) would be an appropriate justification for the Public Benefit Bonus.

In order to ensure that the proposed use meets certain revenue expectations, staff is including a condition of approval (condition 5a) that establishes the Public Benefit Bonus determination as subject to review and potential revocation if the hotel use does not provide TOT to the City in a minimum amount of 50 percent of total room occupancy operating revenue for two consecutive years. The condition would allow a range of options if the trigger is met, specifically:

- Payment to the City of an amount equal to the difference between actual TOT and the 50 percent level;
- Provision of an alternate Public Benefit Bonus, for consideration and action by the Planning Commission;
- Removal of a square footage amount equivalent to the increment between the 1.10 Base level FAR and the 1.16 actual FAR; or
- Reversion to the previous senior citizens retirement living center use.

This condition is consistent with a provision of the proposed license agreement and encroachment permit (discussed in more detail later), and is intended to strike a balance between representing the City's revenue interests and being acceptable to commercial lending entities that finance property purchase and conversion projects such as the subject application.

Parking Rate

The Specific Plan establishes parking rates by use, and requires that developments provide dedicated parking (with the exception of the Downtown Shared/Unbundled Parking Area, where there are allowances for required parking to be provided in the

public parking plazas). The use of the public right-of-way for required parking is discussed in more detail in the following section, while this section focuses on the parking rate itself.

As established by Specific Plan Table F2, the parking rate for hotel uses is 1.25 spaces per room, which for a 138-room hotel use would result in a requirement for 173 off-street parking spaces. However, Specific Plan Table F2 footnote #6 states:

If a use is not listed in this table, a project applicant may propose a rate from *ULI Shared Parking* or other appropriate source or survey for the review and approval of the Transportation Manager. If ULI Shared Parking is updated with a new edition, the Transportation Manager may consider new rates.

The applicant has proposed that the requested land use (a limited-service, business-oriented hotel) is materially distinct from the Specific Plan's listed hotel rate. In particular, the proposed hotel type does not offer facilities that are accessible by non-guests, such as a conference center, restaurant, bar, or independent health club facility. As such, the applicant has proposed application of a blended rate from the Institute of Transportation Engineers (ITE) publication, *Parking Generation (Fourth Edition)*. Specifically, the All Suites Hotel (ITE Code 311) and Business Hotel (ITE Code 312) rates would be combined for a rate of 0.80 spaces per hotel room. For a 138-room hotel, this would result in a requirement of 111 parking stalls.

The applicant is proposing to provide 113 parking spaces for the proposal, consisting of 74 on-site spaces and 39 on-street spaces. The Public Works Director (currently serving as the Transportation Manager) has reviewed and approved the application of the 0.80 spaces per room parking rate for this specific use, on the basis that the proposed limited-service, business-oriented hotel type is distinct from the general hotel rate listed in Specific Plan Table F2, and because the blended rate is supported by analysis and data provided by ITE. In addition, although not explicitly considered as a justification by the Transportation Manager, the proposed rate is also consistent with reported facility operations at the Los Altos Marriott Residence Inn that is operated by the applicant.

The Specific Plan establishes the approval of a parking rate for a use type not listed in Specific Plan Table F2 as being at the Transportation Manager's discretion, and does not require Planning Commission action to validate the new rate. However, when an application separately requires Commission review and approval, the Commission may consider and comment on the new rate as it may relate to the overall set of actions.

Since the October 30, 2012 study session, the applicant has explored the potential of shared parking on other nearby developed sites, such as the Caltrain parking lot, although they have stated they do not believe such arrangements are necessary. The applicant has also reviewed the potential to add a modest number of additional spaces on site (specifically, in the rear-left loading area, provided the heritage palm is removed) and at the unimproved end of Garwood Way (where there appears to be

some excess right-of-way), but similarly believes these measures are not needed at this time.

Use of Garwood Way Public Right-of-Way

The applicant is proposing that the 39 on-street parking spaces along Garwood Way in the vicinity of the development be considered as part of the hotel facility's required parking. As noted previously, the original approvals for the senior citizens retirement living facility required that the developer construct the perpendicular spaces along the east side of the street, but did not formally recognize or enumerate them as required parking spaces for the exclusive use of this parcel (such as through an encroachment permit or other agreement). Staff understands that the spaces have effectively been used as dedicated private parking spaces since the construction of the building, although this use has not itself created a legal right for continued use, either for the current senior residential facility or any future use, as "prescriptive" rights cannot be obtained on public property.

The applicant is proposing that these on-street spaces be considered as part of the proposal, primarily justified by the proposed hotel use's revenue-generating attributes, but also in consideration of the historical use of these parking spaces. The applicant is concurrently proposing that documentation of their exclusive use be recorded by appropriate instrument. The applicant states that alternatives, such as constructing new on-site parking facilities, adding parking lifts to existing parking areas, or providing a 24-hour valet service, are either financially, technically, or aesthetically infeasible given the constraints of this site.

In consultation with staff (in particular the City Attorney), the applicant is proposing City Council approval of a License Agreement and Encroachment Permit, a draft version of which is included as Attachment G. The draft agreement is subject to review and change prior to City Council consideration, although staff believes the substantive elements will not be modified. The agreement includes standard provisions regarding maintenance and insurance, and also includes unique requirements related to revenue. Specifically, the agreement would require the following after the first full calendar year of operations:

- If the use does not generate TOT on at least 85 percent of total room occupancy revenue, the company shall pay an in-lieu amount equal to the difference between actual TOT and the 85 percent level, up to a maximum of \$50,000 (note: if total TOT revenues are greater than \$700,000, this provision does not apply); and
- If the use does not generate total TOT of at least \$400,000, the company shall pay an in-lieu amount equal to the difference between actual TOT and \$400,000, up to a maximum of \$50,000.

The two provisions above are linked, such that any total in-lieu payment would not exceed \$50,000. The agreement also provides that if the use does not generate TOT in

a minimum amount of 50 percent of total room occupancy revenue for two consecutive years, the use will cease, unless the applicant pays an amount equal to the difference between actual TOT and the 50 percent level. These terms were structured to balance the City's interests while also acknowledging development limitations (in particular with regard to typical financing requirements).

The agreement does not preclude alternate parking arrangements in the future. In particular:

- The adjacent parcel at 1300 El Camino Real has approved development plans for a retail-office mixed-use development. This site is under new ownership, and the current property owners have expressed an interest in a revised development proposal, which could potentially include parking to serve the 555 Glenwood Avenue property. While agreement on such an arrangement is not possible at this time, due to differing development timeframes, staff believes shared off-street parking would generally be preferable to continued use of on-street parking spaces. As a result, staff has included a condition requiring the applicant to make a good-faith effort to explore the potential of a joint parking arrangement, on commercially reasonable terms, with the owners of 1300 El Camino Real (condition 5b).
- As noted previously, the City Council has previously adopted a plan line to extend Garwood Way to Oak Grove Avenue. Although the plan line as currently adopted is for a public roadway, the City could in the future consider altering this plan line to require public access for pedestrians, bicycles, and emergency vehicles, but abandon it as a public roadway. Such an abandonment could provide greater design flexibility for adjacent development sites, although this would be subject to detailed review at the appropriate time.

Staff believes that the provision of required parking in the public right-of-way is uniquely justified in this case by the revenue-generating characteristics of the hotel use, and the fact that the use would not be feasible at this time without such dedicated parking. In addition, while the historical development and use of these spaces with the existing use is not considered a legal basis for continued dedicated parking use, they are also unique factors partially justifying the proposed license agreement, and would be factors not applicable to other properties. The proposed TOT requirements in the approval actions and the license agreement and encroachment permit would ensure certain minimum levels of revenue, and the agreement would not preclude alternate parking arrangements, which may be more preferable in the future.

In order to ensure that the spaces are signed and striped in a functional and aesthetically-pleasing way, staff has included a condition of approval requiring a detailed signage and striping plan with the building permit submittal (condition 4d).

Relationship with Housing Element

The City is currently undertaking a Housing Element update. A initial concern of staff when the applicant inquired about a use change was whether such an action could result in direct negative implications for future Housing Element update cycles (i.e., would the City's unit count obligations be raised by an amount equivalent to the number of rooms currently at this facility). Based on staff analysis, such a "penalty" is only a possibility if a development is explicitly income-restricted for affordable housing and is subsequently removed from those protections. Because the Casa on the Peninsula facility is and has always been a market-rate facility, conversion of the use should not result in direct effects for future Housing Element cycles.

Although there do not appear to be direct Housing Element implications, and although the requested actions to enable a potential hotel operation do not explicitly require consideration of the use change from a senior living center, the applicant has provided information about the State requirements for winding down such a facility. Specifically, they state that "(i) the current owner will be generating a relocation plan customized to each resident and coordinating with the governing agency as to that person's relocation, (ii) from the provision of this information residents would have 60 days' notice to vacate, (iii) staff will be maintained to assist the residents in their moves, and (iv) referral agencies will be retained to place them in a new home."

As previously noted, Casa on the Peninsula is not a skilled nursing home or an affordable senior housing community, which should enable greater flexibility with potential placement of residents in alternate facilities. In addition, the applicant has stated that the facility has recently operated below capacity (currently at approximately 13 percent occupancy), which would limit the number of residents affected by a closure. Staff would also note that both the El Camino Real/Downtown Specific Plan and the in-progress Housing Element Update are intended to help facilitate the production of new housing. While market trends at any particular point may vary between residential and commercial development, over time the Specific Plan and Housing Element Update should help the City improve its jobs:housing balance, as well as encourage the provision of housing types appropriate for a range of ages and incomes.

ENVIRONMENTAL REVIEW

The Specific Plan process included detailed review of projected environmental impacts through a program Environmental Impact Report (EIR), as required by the California Environmental Quality Act (CEQA). In compliance with CEQA requirements, the Draft EIR was released in April 2011, with a public comment period that closed in June 2011. The Final EIR, incorporating responses to Draft EIR comments, as well as text changes to parts of the Draft EIR itself, was released in April 2012, and certified along with the final Plan approvals in June 2012.

The Specific Plan EIR identifies no impacts or less-than-significant impacts in the following categories: Aesthetic Resources; Geology and Soils; Hydrology and Water

Quality; Land Use Planning and Policies; Population and Housing; and Public Services and Utilities. The EIR identifies potentially significant environmental effects that, with mitigation, would be less than significant in the following categories: Biological Resources; Cultural Resources; Hazards and Hazardous Materials. The EIR identifies potentially significant environmental effects that will remain significant and unavoidable in the following categories: Air Quality; Greenhouse Gases and Climate Change; Noise; and Transportation, Circulation and Parking. The Final EIR actions included adoption of a Statement of Overriding Considerations, which is a specific finding that the project includes substantial benefits that outweighs its significant, adverse environmental impact.

As specified in the Specific Plan EIR and the CEQA Guidelines, program EIRs provide the initial framework for review of discrete projects. In particular, projects of the scale of the 555 Glenwood Avenue proposal are required to be analyzed with regard to whether they would have impacts not examined in the Program EIR. This conformance checklist, which analyzes the project in relation to each environmental category in appropriate detail, is included as Attachment H. The checklist is informed by a Traffic Impact Analysis (TIA) prepared by the applicant (Attachment I), which was the subject of an independent City peer review (Attachment J). The Planning Commission should note that similar conformance checklists for other projects may differ in format and detail, depending on the attributes of such projects. The checklist may also be refined prior to City Council consideration of final actions.

As detailed in the conformance checklist presented above, the proposed project would not result in greater impacts than were identified for the Program EIR. Relevant mitigation measures have been applied and would be adopted as part of the Mitigation Monitoring and Reporting Program (MMRP), which is included as Attachment K. No new impacts have been identified and no new mitigation measures are required for the proposed project.

Specific Plan Maximum Allowable Development

Per Section G.3, the Specific Plan establishes the maximum allowable net new development as follows:

- Residential uses: 680 units; and
- Non-residential uses, including retail, office and hotel: 474,000 square feet.

These totals are intended to reflect likely development over the Specific Plan's intended 20- to 30-year timeframe. As noted in the plan, development in excess of these thresholds will require amending the Specific Plan and conducting additional environmental review.

The 555 Glenwood Avenue proposal would not create any new square footage in order to convert the existing senior citizens retirement living center into a new 138-room hotel. However, the net new vehicle trips associated with the conversion, which is of

direct relevance to traffic analysis and affects other impact categories (e.g., air quality and noise), can be considered equivalent to a new 87-room hotel, which can be approximated as a net increase of 71,921 square feet of commercial square footage. As such, the 555 Glenwood Avenue proposal would represent 15 percent of the non-residential uses for the overall Specific Plan (note: per Section G.3, the non-residential development is not segmented by use). If the project is approved and implemented, this amount would be deducted from the Maximum Allowable Development in the Plan area.

RECOMMENDATION

The proposed exterior changes would comply with relevant standards and guidelines from the Specific Plan, and the comprehensive landscaping improvements would refresh the overall site's appearance. The hotel use's Transient Occupancy Tax (TOT) revenue would justify the application of a modest Public Benefit Bonus. The parking rate has been approved by the Transportation Manager and is supported by appropriate data and analysis. The use of on-street parking for private use is justified for this site by unique revenue and historical use factors, and the license agreement and encroachment permit would include terms to ensure minimum levels of TOT. The potential environmental effects of the project have been analyzed in detail and would be consistent with the Specific Plan Program EIR. Staff recommends the Planning Commission recommend approval to the City Council of the following actions:

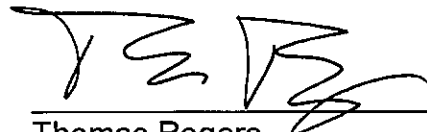
1. Make a finding with regard to the California Environmental Quality Act (CEQA) that the proposal is within the scope of the project covered by the El Camino Real/Downtown Specific Plan Program EIR, which was certified on June 5, 2012. Specifically, make findings that:
 - a. A checklist has been prepared detailing that no new effects could occur and no new mitigation measures would be required (Attachment H, including Attachments I and J by reference).
 - b. Relevant mitigation measures have been incorporated into the project through the Mitigation Monitoring and Reporting Program (Attachment K), which is approved as part of this finding.
 - c. Upon completion of project improvements, the Specific Plan Maximum Allowable Development non-residential use total will be reduced by 71,921 square feet, accounting for the project's share of the Plan's overall projected development and associated impacts.
2. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.

- b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
 - e. The development is consistent with the El Camino Real/Downtown Specific Plan. In particular:
 - i. The relatively modest exterior changes would comply with relevant design standards and guidelines.
 - ii. The hotel use's Transient Occupancy Tax (TOT) revenue would justify the application of a Public Benefit Bonus for a Floor Area Ratio (FAR) of 1.16, which is above the 1.10 Base level FAR but well below the Public Benefit Bonus maximum level of 1.50 FAR. Minimum levels of TOT would be ensured by condition 5a.
3. Approve the architectural control request subject to the following **standard** conditions of approval:
- a. Development of the project shall be substantially in conformance with the plans prepared by Stantec, dated received February 25, 2013, consisting of eight plan sheets and approved by the City Council on _____, 2013, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. The applicant shall comply with all West Bay Sanitary District, Menlo Park Fire Protection District, and utility companies regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions. Landscaping shall properly screen all utility equipment that is installed outside of a building and that cannot be placed underground. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.

- e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for the review and approval of the Engineering Division.
 - f. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.
 - g. Prior to building permit issuance, the applicant shall submit proposed landscape and irrigation documentation as required by Chapter 12.44 (Water-Efficient Landscaping) of the City of Menlo Park Municipal Code. If required, the applicant shall submit all parts of the landscape project application as listed in section 12.44.040 of the City of Menlo Park Municipal Code. This plan shall be subject to review and approval by the Planning and Engineering Divisions. The landscaping shall be installed and inspected prior to final inspection of the building.
4. Approve the architectural control request subject to the following ***project-specific, construction-related*** conditions of approval:
- a. Concurrent with submittal of a complete building permit, the applicant shall submit a frontage improvement plan, showing the construction of a new accessible ramp, where one does not currently exist, at the intersection of Garwood Way and Glenwood Avenue (directly adjacent to the project site, for the direction crossing Garwood Way), subject to review and approval of the Engineering Division. Implementation of this improvement is required to be completed prior to building permit final inspection, subject to review and approval of the Engineering Division.
 - b. Concurrent with submittal of a complete building permit, the applicant shall submit a detailed report describing the full scope of upgrades to the structural and mechanical, electrical and/or plumbing systems, subject to review of the Building Official and Planning Division. If the City determines that the system upgrades are significant, the applicant shall be required to meet the LEED requirements of Specific Plan Standard E.8.03.
 - c. Concurrent with submittal of a complete building permit, the applicant shall submit a comprehensive arborist report, subject to review and approval of the City Arborist and Planning Division. Tree preservation measures shall be integrated into the project plans.
 - d. Concurrent with submittal of a complete building permit, the applicant shall submit a signage and striping plan for the Garwood Way parking spaces, subject to review and approval of the Transportation and Planning Divisions.

Implementation of the approved signage and striping is required to be completed prior to building permit final inspection, subject to review and approval of the Transportation and Planning Divisions.

5. Approve the architectural control request subject to the following **project-specific, ongoing** conditions of approval:
 - a. The use is subject to review and potential revocation if the hotel use does not provide TOT to the City in a minimum amount of 50 percent of total room occupancy operating revenue for two consecutive years. Specifically, the use would be subject to one of the following options, to be reviewed and determined through a procedure to be established by the Planning Division:
 - i. Payment to the City of an amount equal to the difference between actual TOT and the 50 percent level;
 - ii. Provision of an alternate Public Benefit Bonus, for consideration and action by the Planning Commission;
 - iii. Removal of a square footage amount equivalent to the increment between the 1.10 Base level FAR and the 1.16 actual FAR; or
 - iv. Reversion to the previous senior citizens retirement living center use.
 - b. The applicant shall make a good-faith effort to explore the potential of a joint parking arrangement, on commercially reasonable terms, with the owners of the adjacent development site known as 1300 El Camino Real.
6. Approve the license agreement and encroachment permit (Attachment G).
7. Adopt a Resolution of the City of Menlo Park to approve the heritage tree removal permits (Attachment D).



Thomas Rogers
Senior Planner
Report Author



Arlinda Heineck
Community Development Director

PUBLIC NOTICE

Public notification consisted of publishing a notice in the local newspaper and notification by mail of owners and occupants within a 300-foot radius of the subject property. 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/projects/comdev_555glenwood.htm.

The Planning Commission action will be in the form of a recommendation to the City Council.

ATTACHMENTS

- A. Location Map
- B. Project Plans
- C. Project Description Letter
- D. Draft Resolution of the City of Menlo Park to Approve the Heritage Tree Removal Permits
- E. Limited Economic Benefit Review – Conley Consulting Group – October 3, 2012 and January 18, 2013
- F. Limited Market Analysis and Peer Review – BAE Urban Economics – February 19, 2013
- G. Draft License Agreement and Encroachment Permit for Use of Parking Spaces
- H. Draft El Camino Real/Downtown Specific Plan Program EIR Conformance Checklist – 555 Glenwood Avenue Project
- I. Results of Preliminary Parking and Traffic Impact Analysis of Proposed Marriott Residence Inn at 555 Glenwood Avenue in Menlo Park – TJKM – February 26, 2013 [*Note: appendices not included due to length, but available for review on the project page and at City offices*]
- J. Review of 555 Glenwood Avenue Traffic Analysis – W-Trans – February 27, 2013
- K. Draft Mitigation Monitoring and Reporting Program (MMRP)

Note: Attached are reduced versions of maps and diagrams submitted by the applicants. The accuracy of the information in these drawings is the responsibility of the applicants, and verification of the accuracy by City Staff is not always possible. The original full-scale maps, drawings and exhibits are available for public viewing at the Community Development Department.

EXHIBITS TO BE PROVIDED AT MEETING

None

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PLANNING COMMISSION APPROVED EXCERPT MINUTES

Regular Meeting
March 4, 2013 at 7:00 p.m.
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER – 7:03 p.m.

ROLL CALL – Bressler, Eiref, Ferrick (Chair), Kadvany (Vice Chair), O'Malley, Onken, Riggs (arrived 7:13 p.m.)

STAFF – Momoko Ishijima, Planner; Kyle Perata, Assistant Planner; Thomas Rogers, Senior Planner; William McClure, City Attorney

E. REGULAR BUSINESS

E1 Architectural Control/Sand Hill Property Company/555 Glenwood Avenue:

Request for architectural control to modify an existing senior citizens retirement living center into a limited-service, business-oriented hotel in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The architectural control action includes consideration of a Public Benefit Bonus for a Floor Area Ratio (FAR) of 1.16, where 1.10 is the Base level FAR maximum and 1.50 is the Public Benefit Bonus level FAR maximum. The proposal includes the application of the Transportation Manager's discretion to approve a parking rate for a use type not listed in Specific Plan Table F2. The proposal also includes the provision of some required parking on the Garwood Way public right-of-way, to be considered by the City Council through a license agreement and encroachment permit. In addition, the proposal includes the removal of three heritage trees: two ash trees located in courtyards at the middle and right-rear corner of the parcel, and one palm tree located at the rear-left corner of the parcel.

Staff Comment: Planner Rogers said there were four pieces of correspondence sent directly to the Planning Commission, copies of which were available for the public at the table in the rear of the room.

Questions of Staff: Commissioner O'Malley said he was surprised to read the occupancy rate at the Glenwood Inn was only 13% at this time. He asked what the occupancy rate was a year prior. Planner Rogers said based on information provided by the applicant it was about 50% in the year prior. Commissioner O'Malley said that he was curious what that meant in terms of the demand for senior housing in the City.

Public Comment: Mr. Reed Moulds, Sand Hill Property Company, introduced the design team: Mr. Don Sadler, Stantec Architects; Mr. Jim Lauderbaugh, Landscape Architect; and Christopher Thnay, Transportation Engineer. He said that representatives from their hotel division and representatives of the current owners of 555 Glenwood Avenue were also present.

Mr. Moulds said the project proposal was to convert the existing senior living center to a Marriott Residence Inn. He said this type of hotel use competed in a particular category of hotels. He said different from other extended stay hotels, the Residence Inn model was to deliver a very upscale, high quality experience. He said Marriott was the biggest hotel company in the world with \$12 billion in revenue annually. He provided a visual of a Residence Inn in Los Altos that was built by Sand Hill Property Company and was still owned by them. He said they were doing a couple of other Residence Inns in the Silicon Valley. He provided images of the type of rooms in this type of hotel. He said Residence Inns target the marathon business travelers. He said extended stays were anything over five nights although not weeks at a time. He said an average stay was 15 days.

Mr. Moulds said they were proposing a great deal of aesthetic and cosmetic improvements but would keep the existing buildings. He said they would not add or delete from the footprint but reposition features. He said they would use new colors both in landscaping and architecture. He said new materials were being proposed as well as new signage. He provided a visual of the existing site plan and the proposed site plan. He said currently there were three parking areas: 19 spaces in the front, 55 spaces in the rear, and about 39 spaces on Garwood Way. He said there would be much interior change. He showed the landscape plan noting they were proposing to remove three Heritage trees. He said the Residence Inn's mantra was "space, pace and renewal." He said his company has a successful track record of operating this type of hotel.

Commissioner Eiref said other developers had indicated there was no financing for hotels, and asked if they had done any ground up hotels or only refurbished existing structures. Mr. Moulds said they do both and they would use financing for the Menlo Park project. He said however that it was very challenging to get hotels built and that there were not many full service hotels being built. He said one healthy area in the hospitality area was providing for the business traveler, and location was important. He said the strength of the Marriott brand made it financeable.

Commissioner Eiref asked if the network would bring clientele to this location noting that Palo Alto was a "star" attraction. Mr. Moulds said the location had venture capital companies, Facebook, and Stanford all of whom would be drivers for occupancy. He said the Marriott network was powerful noting their rewards program.

Mr. Mark Lynn said he was a partner with Mr. Peter Pau, the owner of Sand Hill Land Company, and helped him manage these assets. He said he was Chief Operating Operator of Sand Hill Hotel Management Company and also the President of HV Asset

Management Company, a fairly large hotel consulting group located in San Francisco. He said they have about a billion dollars worth of hotels in northern America that they oversee and they work with Marriott, Hilton and Starwood products. He said they were a strong supporter of Marriott because of the type of customer and performance they deliver. He said they would be a franchisee of Marriott at this location as they were in Los Altos and would be in Cupertino. He said the operating company Sand Hill Hotel Management was an approved franchisee of Marriott, Hilton and Starwood. He said they found Marriott to be strongest in delivering customer service and product. He said it was extremely difficult to get full service hotel financing just about anywhere in North America currently. He said the Residence Inn models perform extremely well from a profitability standpoint noting their project in Los Altos was recently appraised a year prior at \$53 million for refinancing. He said they do a lot of work with Stanford and in the area, and felt very strongly that they would deliver a quality product to Menlo Park. He said they were actively involved with the community where their hotels were located.

Chair Ferrick asked about the average yearly occupancy rate for the Los Altos Residence Inn. Mr. Lynn said it was 83% last year with an average rate of \$193. Chair Ferrick asked how many rooms it has. Mr. Lynn said 156 rooms. He said they have a good mix of extended and short term stays. He said this proposal would have 138 rooms. Chair Ferrick asked how many guests rented cars. Mr. Lynn said that there was high corporate use and often there were several individuals sharing a rental car. He said hotels with meeting places and restaurants and bars needed more parking. Chair Ferrick asked what percentage of guests stayed longer than 30 days. Mr. Moulds said they looked at the revenue for the Los Altos site for 2011 and 77% of the revenue was subject to Transient Occupancy Tax (TOT). He said the data for 2012 was closer to 79% revenue for less than 30 days. He said Marriott has a different product that served the longer than 30 day stay need. Mr. Lynn said Marriott wanted them as a brand operator to have 45% of their business as extended stay and had four categories: one to four nights, five to 11 nights, 12 to 29 nights, and 30, 31 plus nights. He said Marriott's expectation was to have 45% of the business be extended stay which was everything less than 30 nights.

Commissioner Kadvany asked about the number of employees. Mr. Moulds said there were 41. Commissioner Kadvany asked about the average number of employees parking during the day. Mr. Lynn said most of their employees take public transportation or carpool. He said they also have a bicycle program at their Los Altos facility. He said when most of their guests were in the hotel most of the employees were not as they typically worked from the morning until about 4:00 p.m., notably the housekeeping and maintenance staff. He said there were desk clerks that worked around the clock and a night-shift engineer. Commissioner Kadvany asked what the ratio for parking was at the Los Altos facility. Mr. Moulds said it was 1:1 and they did not use all of the available parking. Commissioner Kadvany asked if they have a Transportation Demand Management (TDM) Plan for the employees. Mr. Lynn said they encouraged the use of alternative transportation but he did not know precisely what incentives were used. Commissioner Kadvany said with the .88 parking at this facility that it was possible they would have full parking. Mr. Moulds said they might have

occasional challenges. Commissioner Kadvany asked if they would turn guests' vehicles away or would they help them find parking as there was no overnight parking in Menlo Park. Mr. Moulds said at Los Altos they were at .67 or .68 spaces per room but after the study session recently with the Menlo Park City Council they would investigate potential locations of overflow sites noting he had a recent meeting with Caltrans regarding that.

Mr. Charlie Bourne, long term resident and Transportation Commission member, said he was speaking for himself only. He said it was a terrible idea to have public streets count as meeting the parking requirements for any development noting the impact of downtown projects in Palo Alto on parking in the surrounding residential areas. He urged the Commission to deny any variance of the off-street parking rate particularly that provided a developer with 24/7 exclusive use of 39 parking spaces on a public right-of-way, Garwood Way. He said until the City could provide parking structures every development project needed to provide sufficient parking space onsite with no exceptions.

Mr. Stefan Petry, Menlo Park, said it seemed like a good project that would provide benefit. He said regarding the Draft License Agreement and Encroachment Permit for Parking Spaces and seconding Mr. Bourne's comments, there was no provision in the document for some type of sunset provision whereby the City would have the ability after a period of time to revisit the agreement. He said it seemed to convey a permanent right. He urged that a provision be added to the agreement to provide a safeguard to consider changing the allowance in the future.

Ms. Adina Levin, Menlo Park, said she was a member of the Environmental Quality Commission, but was not representing that body. She said she would like to build on the prior two speakers' comments in terms of not supporting the request for a perpetual grant of the 39 parking spaces to this developer. She said given the situation on the street it might be a convenient temporary solution for some underutilized spaces but properties at 1300 El Camino Real and the Derry property under the Specific Plan seemed likely for redevelopment with some more intense uses, and those properties would presumably need to have parking. She said the staff report gently suggested that this developer should be given these spaces without end but speak with the other developer and try to come to an accommodation. She suggested something much stronger such as having the 39 spaces on street be temporary and reviewed and not be forever. She said also the City has a long-term plan of connecting Garwood Way across Oak Grove Avenue through to Merrill Street as a low-traffic or pedestrian/bicycle only route which would be a southern bound route parallel to El Camino Real that was badly needed. She said giving this street in perpetuity to this project was giving away an important part of the City's infrastructure. She said a general pattern in the implementation of the Specific Plan so far was looking at projects piecemeal as to whether they would achieve structure goals such as creating the Garwood Way route and the bicycle/pedestrian undercrossing. She suggested that Garwood Way might be a benefit to the project as a route to Caltrain noting the developer had indicated some of the residents and employees would use the train. She said perhaps there should be a

benefit district into which the developer would pay into for that medium term scenario. She said if many of the hotel guests were from Stanford or Facebook, which already have active shuttle programs to Caltrain, she suggested consideration of the project TDM program getting those organizations that have shuttle services to serve this hotel so hotel residents would not need to rent a car.

Chair Ferrick closed the public hearing.

Commission Comment: Chair Ferrick asked if there was a way to limit 30-plus stays based on a certain percentage of rooms to provide some assurance of a level of revenue from TOT for the City. Mr. Moulds said they were sensitive to the desire to maximize new tax revenue and that was one of the reasons they were excited to bring this project forward. He said this was a lucrative hotel if it was not tinkered with and they were projecting \$725,000 of year one TOT revenue based upon how their Los Altos facility was performing. He noted feedback from the City Council that they would like to see TOT maximized. He said the License Agreement not only allowed for the ongoing use of the parking spaces on Garwood Way for the benefit of the property but also structured performing standards for maximizing the TOT.

Chair Ferrick noted the Specific Plan and large infrastructure improvements needed. She said the train station proximity would greatly help with a TDM program. She said she favored Ms. Levin's idea that were a number of their guests there for Facebook and Stanford that those organizations could collaborate to have their shuttle services include the hotel on their routes. She asked how housing units played into this proposal. Planner Rogers said a section of the staff report discussed the Housing Element update process generally and whether this action requested would result in consequences later relative to the Housing Element update. He said staff made a finding that it would not as this was not an income-restricted facility. Chair Ferrick asked if this represented a net loss of a certain amount of units. Planner Rogers said the available information was that state authorities who monitor housing allocations did not get into that level of detail. He said that the City would not get hit with a new 125-plus housing units need because of this project. He said there was some indication that if this was an income restricted project that there might be an impact on housing allocations. Chair Ferrick asked if there was any way to count units that had 30-plus day stays as housing units. Planner Rogers said during the Council study session information was shared that some guests at the Los Altos facility made that their residence. He said however these units would not have full kitchens and based on City's ordinances those would not be considered housing units. City Attorney McClure said that was the case currently with the site; they did not count as housing units because there were not full kitchens.

Commissioner Riggs asked if the applicant had a parking demand analysis for the Los Altos facility for the past year. Mr. Moulds said they audited the parking for six months in 2012. He said the peak was .88 spaces per room. He said the average was .67 to .70. He said they were open to developing backup plans for unseen demands. He said this facility would be more transit oriented than the Los Altos one.

Chair Ferrick said valet parking was a potential solution. Mr. Moulds said they could do that when there were special events but as this was not a full service hotel it would not be sustainable on a regular basis. Chair Ferrick asked how often they hit the .88 peak parking demand at Los Altos. Mr. Moulds indicated quite regularly. Chair Ferrick said she would like to see some consideration of using Garwood Way in the future as a bicycle / pedestrian pathway.

Commissioner Onken said that there were parking rates for a reason and this had been reduced to .8 per room. He said he felt like they had backed themselves in a corner by proposing they could sustain this project at this site by using Garwood Way for parking. He said perhaps they should throw the number of spaces on Garwood Way into the mix but not post designated parking signs there. He said right now very few other people would park there so for the most part it would still be the hotel's sole use. He said the land grab of Garwood Way concerned him.

Commissioner Bressler said he agreed with Commissioner Onken's sentiment. He asked why Menlo Park would give away land to make this project happen. He said it was wrong. He said he would like to see sufficient parking built into the project but he would really object to giving the project parking. He said at the very least they should maintain the parking control with Menlo Park and charge the applicant for the parking. He said they needed revenue to build a parking structure and it was logical to get that revenue from charging for parking on Garwood Way.

Commissioner Kadvany said because of the revenue stream from the hotel tax they were offering parking in perpetuity. He said the parking overflow seemed to be completely the hotel's problem noting no overnight parking in the City. He said the question was whether they knew the value of this land for future use to connect to Merrill Street. He questioned how the applicant would respond if in five years time the City came to them to get the spaces back for a project. Mr. Mould said that they did not want to build hotels that would not work and they saw this proposal as one that would work. He said the License Agreement that was structured with staff would allow for the City to retain the option to use it for that potential extension even though there was licensing of those spaces for the hotel's use. He said they did not want to give up those spaces but to keep them as long as they were performing as structured in the License Agreement. He said this proposal gave the City a great deal of options and would monetize something that was relatively valueless today and provide vitality, TOT revenue, and flexibility for future development.

Commissioner Kadvany said he agreed. He said vibrancy was another value noting this project would get guests to the downtown. He asked about the option to get parking from 1300 El Camino Real. Mr. Moulds said they have had conversations with the developer at 1300 El Camino Real but that group did not have their plans as developed as theirs were so it had been difficult to have the two projects dovetail. He said they did not disagree with working with that developer but would prefer Garwood Way as it was contiguous to the hotel. He said that putting cars in a covered area of a future project at 1300 El Camino Real could be a viable solution as well. He said he both answers to

Marriott and they had certain standards and to the lender who was rigorous on how they executed financing.

City Attorney McClure said at some point a project for 1300 El Camino Real would be coming forward, and the City could bring them to the table if they wanted the City to make some public benefits findings. He said that might be where the parking needed to move the parking off Garwood Way could occur.

Commissioner Riggs said condition 5 in the approvals provided four versions of what the City would do if the outcome of the hotel and TOT were not acceptable. He said Ms. Levin had outlined the issues with the project well. He said he agreed with others that it was not appropriate to have the spaces on Garwood Way permanently dedicated but he also saw that it had to be part of the project. He said he hoped it was possible to give a five or ten year approval to provide for a reassessment. He said creating a path on Garwood Way would provide a link that was crucial to the success of the Plan and El Camino Real. He said he hoped Council and staff would look at a 10-year renewal period and the conditions appropriate to make that renewal. He said tying the public benefit to the parking issue seemed to have two parking benefits; one of which was to tie the bicycle improvements to greater connectivity and as mentioned by Commissioner Bressler a parking structure. He said the latter was a key to making the Specific Plan successful. He said he was pleased with the proposed project and the greater public use that would bring vibrancy.

Chair Ferrick said she liked the photos of how the project would look but she was concerned with the arch element, which she thought dated the design. She said she liked the site plan and the interior but would encourage updating the façade more.

Commissioner Eiref said he liked the idea of a reasonable amount of renewal time. He asked about the parking signage on Garwood Way. Planner Rogers said that was one of the questions that arose as to why the existing facility got the use of that area for parking and if there were any rights associated with that use. He said it was definitely a condition of approval when the Glenwood Inn was built and the development of those spaces was listed in the PD permit and EIR for the permit. He said however that did not enumerate or count those as required spaces nor did it enter into any license agreement or any permanent or binding mechanism. He said it probably was a handshake deal. He said in any event these spaces have been consistently used by that property for the entire time. Commissioner Eiref said having a 10 year renewal review provided the incentive to really pursue a parking solution with the development of 1300 El Camino Real.

Commissioner Bressler said he agreed with the idea of a limit and incentive. He said it bothered him that Menlo Park was put in the position of having to give something away, which made him feel that they had not negotiated very well. He said he would like the City to charge the applicant for what the parking was worth.

Commissioner Onken said if only 75% of the rooms were refurbished and the other 25% held in abatement until additional parking was found there would be no problem with the available parking onsite.

Chair Ferrick asked staff to address the negotiations and options discussed. City Attorney McClure said that the applicant has not yet closed escrow on the property so they have not yet paid anything for the land. He said they have options with what they do with the property as well such as a hotel or having a similar senior facility with a different operator. He said there was an existing building that they wanted to reuse which meant there was no room to build additional parking. He said not building all of the building or removing part of the building would change the economics of doing the project and raised the question of whether it would make sense to do it. He said the basis of going into negotiations with them was what they could afford to commit to. He said there have been discussions about flexibility and limited term but the issue becomes that means the project was not financeable for them. He said if they only have the use for five or 10 years a lender would not commit on a financial transaction that might not have a value in 10 years if they had no parking. He said the issue was whether this was a project the City wanted and what were the terms they could get for that project. He said as a policy matter they could demand that the applicant park all the parking onsite but in all likelihood that would not be a Marriott Residence Inn and there would not be TOT revenue. He said they negotiated the best deal. He said it might not necessarily be the final deal and the Council might ask for something else. The goal though was to keep the applicant from walking away and lose this type of project that would generate TOT.

Chair Ferrick said based on her calculations and projected occupancy it seemed like probably at least 20 of the 39 spaces on Garwood Way would be needed on a regular basis. She said she thought the benefit outweighed the loss of the spaces as those were located against the railroad tracks. She asked if this was a lease or were they giving the plot of land to the applicant. City Attorney McClure said the City would not give the land away and it would remain as public right-of-way and a public street to allow for bicycle and pedestrian improvements with the assurance to the applicant that within Garwood Way as it extended to the train station the 39 parking spaces would be available for them assuming the applicant did not negotiate a deal to put the parking at 1300 El Camino Real. He said if the City thought this was an appropriate use of this location and wanted the TOT revenue this might be the only way to achieve that at least until 1300 El Camino Real was developed and offered potential parking.

Commissioner Riggs said the potentiality was that 1300 El Camino Real might ask the City for public benefit at which time the City could enact within the proposed agreement to have 555 Glenwood Avenue move the 39 spaces into the 1300 El Camino Real parking garage. Mr. McClure said that was the intent noting there might need to be wording clarification. Commissioner Riggs said for him that would resolve the concern he had about developing on some of the right of way of Garwood Way.

Commissioner O'Malley said he was glad to hear the possibility to impose upon the 1300 El Camino Real project to provide parking for the hotel. He said this gave the City a fine goal and some benefit including new revenue. He said even if 1300 El Camino Real was not able to provide the parking he still thought there was great value associated with the proposed project.

Commissioner Bressler said the City should charge for the parking and that would be a great incentive for this developer to work with the developer of 1300 El Camino Real to get the parking there. He said it did not make business sense the way this was structured.

Chair Ferrick said she was assured that the developer was not getting the land and the City would receive benefit from the project. She said as a property it would be wonderful to have a new vibrant hotel there, which would change the use of that area. She said that she did not think the deal should be broken based on 39 parking spaces. She said underground parking for 39 spaces was about \$2 million. City Attorney McClure said the idea was to create a shared parking arrangement.

Commissioner Eiref asked where there was language about negotiating with 1300 El Camino Real. City Attorney McClure said it was in one of the conditions of approval. Commissioner Eiref noted a condition for the applicant to negotiate in good faith, which he thought was not strong enough. He said there had to be some firmness built in otherwise the City was giving away land. He noted that this land was next to the railroad tracks and probably noisy. He said if the applicant used it in perpetuity for parking that might not be a bad thing, but they should pay for the use of it.

City Attorney McClure said the potential for revenue was there but now the City was not getting anything for the parking or from the senior facility now. He said whether it was used for parking or for something else the tradeoff at that location was the possibility of getting a Marriott Residence Inn. He said the applicant needed the parking and sufficient commitment. He said that the owners of 1300 El Camino Real might offer 39 spaces but ask for \$500,000 a year.

Commissioner Eiref asked if there was a hook that if nothing else worked out for parking over five years they could retain the parking for some amount of revenue per day. City Attorney McClure said they could not negotiate a deal in a public forum but he heard what was being said. He said currently the deal was if the property exceeded \$700,000 in TOT annually the owners would not have to pay the City anything. He said if they were less than their 85% occupancy revenue then they would have to pay the City from their profits in an amount up to \$50,000 a year.

Chair Ferrick confirmed that TOT would increase concurrently with hotel rates. She said that the parking currently was not in high demand, and said she felt comfortable with the proposed arrangement.

Commissioner Kadvany said there was a discussion point about tying the TOT to Specific Plan projects. Planner Rogers said the public benefit bonus set up the potential for a public benefit fund for independent project contributions. He said, however, TOT has to be collected by state mandated processes and goes into the general fund.

Chair Ferrick asked if the Commission wanted to recommend to the Council that the TOT revenue be used for improvements under the Specific Plan such as the bike tunnel.

Commissioner Kadvany said he liked the color palette and rather liked the arch. He said there was a probability of peak parking and the City should request a more formalized TDM program. He said parking was something to be managed to the City's benefit and that was a context in which to consider this proposal. He said he would like TOT tied to the Specific Plan. Chair Ferrick said she would like it specifically tied to improvements and infrastructure.

Planner Rogers said there was a requirement in the EIR to implement a TDM plan as part of the project as shown in Attachment K. Commissioner Kadvany asked if that program would be looked at closely so that more than generic methods were used. Planner Rogers said they would look at that. Commissioner Kadvany suggested the City might want to institute a TDM association for applicants coming into the City.

Commissioner Riggs said he would like to make a motion but wanted to see if there was a consensus on some things. He said he was looking at tying the TOT to the City infrastructure or public elements and emphasizing the priority the City has for getting the future bike route from the Creek. Chair Ferrick said that it would remain as public street and public right of way.

Commissioner Riggs moved to recommend to the City Council that they make the findings, and approve the architectural control, the license agreement and the Heritage Tree Removable Permit. Chair Ferrick seconded the motion.

Commissioner Bressler said he thought it was more important to convey what they did not agree upon. Chair Ferrick suggested they could take the license agreement separately. Commissioner Bressler agreed with that. Commissioner Riggs said he was willing to take out the license agreement from the vote. Chair Ferrick agreed. Commissioner Kadvany asked if this included TOT. Commissioner Riggs said that they had consensus on the TOT being tied to the City infrastructure or public elements and that would be captured in the minutes. Planner Rogers said this item would be heard by the City Council on March 26 and the Commission would not have reviewed draft minutes for this meeting prior to that.

After discussion with staff, Commissioner Riggs said he would include the Commission's recommendation that TOT revenue be designated for Specific Plan elements. Chair Ferrick said she would second that amendment.

Commission Action: M/S Riggs/Ferrick to recommend approval to the City Council of the following actions:

1. Make a finding with regard to the California Environmental Quality Act (CEQA) that the proposal is within the scope of the project covered by the El Camino Real/Downtown Specific Plan Program EIR, which was certified on June 5, 2012. Specifically, make findings that:
 - a. A checklist has been prepared detailing that no new effects could occur and no new mitigation measures would be required (Attachment H, including Attachments I and J by reference).
 - b. Relevant mitigation measures have been incorporated into the project through the Mitigation Monitoring and Reporting Program (Attachment K), which is approved as part of this finding.
 - c. Upon completion of project improvements, the Specific Plan Maximum Allowable Development non-residential use total will be reduced by 71,921 square feet, accounting for the project's share of the Plan's overall projected development and associated impacts.
2. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
 - e. The development is consistent with the El Camino Real/Downtown Specific Plan. In particular:
 - i. The relatively modest exterior changes would comply with relevant design standards and guidelines.
 - ii. The hotel use's Transient Occupancy Tax (TOT) revenue would justify the application of a Public Benefit Bonus for a

Floor Area Ratio (FAR) of 1.16, which is above the 1.10 Base level FAR but well below the Public Benefit Bonus maximum level of 1.50 FAR. Minimum levels of TOT would be ensured by condition 5a.

3. Approve the architectural control request subject to the following **standard** conditions of approval:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Stantec, dated received February 25, 2013, consisting of eight plan sheets and approved by the City Council on _____, 2013, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. The applicant shall comply with all West Bay Sanitary District, Menlo Park Fire Protection District, and utility companies regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions. Landscaping shall properly screen all utility equipment that is installed outside of a building and that cannot be placed underground. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
 - e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for the review and approval of the Engineering Division.
 - f. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.
 - g. Prior to building permit issuance, the applicant shall submit proposed landscape and irrigation documentation as required by Chapter 12.44 (Water-Efficient Landscaping) of the City of Menlo Park Municipal Code. If required, the applicant shall submit all parts of the landscape project application as listed in section 12.44.040 of the City of Menlo Park Municipal Code. This plan shall be subject to review and approval by the Planning and Engineering Divisions. The landscaping shall be installed

and inspected prior to final inspection of the building.

4. Approve the architectural control request subject to the following **project-specific, construction-related** conditions of approval:
 - a. Concurrent with submittal of a complete building permit, the applicant shall submit a frontage improvement plan, showing the construction of a new accessible ramp, where one does not currently exist, at the intersection of Garwood Way and Glenwood Avenue (directly adjacent to the project site, for the direction crossing Garwood Way), subject to review and approval of the Engineering Division. Implementation of this improvement is required to be completed prior to building permit final inspection, subject to review and approval of the Engineering Division.
 - b. Concurrent with submittal of a complete building permit, the applicant shall submit a detailed report describing the full scope of upgrades to the structural and mechanical, electrical and/or plumbing systems, subject to review of the Building Official and Planning Division. If the City determines that the system upgrades are significant, the applicant shall be required to meet the LEED requirements of Specific Plan Standard E.8.03.
 - c. Concurrent with submittal of a complete building permit, the applicant shall submit a comprehensive arborist report, subject to review and approval of the City Arborist and Planning Division. Tree preservation measures shall be integrated into the project plans.
 - d. Concurrent with submittal of a complete building permit, the applicant shall submit a signage and striping plan for the Garwood Way parking spaces, subject to review and approval of the Transportation and Planning Divisions. Implementation of the approved signage and striping is required to be completed prior to building permit final inspection, subject to review and approval of the Transportation and Planning Divisions.
5. Approve the architectural control request subject to the following **project-specific, ongoing** conditions of approval:
 - a. The use is subject to review and potential revocation if the hotel use does not provide TOT to the City in a minimum amount of 50 percent of total room occupancy operating revenue for two consecutive years. Specifically, the use would be subject to one of the following options, to be reviewed and determined through a procedure to be established by the Planning Division:
 - i. Payment to the City of an amount equal to the difference between actual TOT and the 50 percent level;

- ii. Provision of an alternate Public Benefit Bonus, for consideration and action by the Planning Commission;
 - iii. Removal of a square footage amount equivalent to the increment between the 1.10 Base level FAR and the 1.16 actual FAR; or
 - iv. Reversion to the previous senior citizens retirement living center use.
- b. The applicant shall make a good-faith effort to explore the potential of a joint parking arrangement, on commercially reasonable terms, with the owners of the adjacent development site known as 1300 El Camino Real.
- ~~6. Approve the license agreement and encroachment permit (Attachment G).~~
7. Adopt a Resolution of the City of Menlo Park to approve the heritage tree removal permits (Attachment D).
8. The Planning Commission recommends that the City Council prioritize the use of the new Transient Occupancy Tax (TOT) revenue associated with the proposal to fund infrastructure projects, in particular circulation improvements, within the El Camino Real/Downtown Specific Plan area.

Motion carried 6-0 with Commissioner Onken abstaining.

Commissioner Bressler said after a period of five years that the parking should no longer be free but should be charged a market rate fee. Chair Ferrick said the applicant need the certainty of having the parking needed. Commissioner Bressler said the certainty was there but it did not have to be given for free. Chair Ferrick said she did not see it was being given away as the City retained ownership.

Commissioner Eiref said that 1300 El Camino Real would not give away 39 parking spaces. He said the parking should not be free for perpetuity. City Attorney McClure said that the Commission could make the recommendation. He said regarding the market rate that they might consider a mechanism for determining fair market rent. He said the recommendation was to allow the parking free for five years after which there was a mechanism by which to determine what would be a fair market rent for parking spaces.

Commissioner Bressler moved to recommend to the City Council that the parking on Garwood Way be made available for five years after which a fair market rate would be established to pay for those spaces through some mechanism of agreement between the parties including arbitration. Commissioner Riggs seconded the motion.

Commissioner Kadvany said he thought this was the right recommendation to make.

Commissioner O'Malley said he thought the compensation from the hotel revenue was the benefit. He said this was just a recommendation to the Council and he hoped this would not jeopardize the project proposal.

Commission Action: M/S Bressler/Ferrick to recommend that the City Council approve the license agreement and encroachment permit (Attachment G) with the following modification:

- The license agreement and encroachment permit should contain a mechanism that, after a period of five years, would require the payment of a fair market rent for the 39 parking spaces on Garwood Way.

Motion carried 6-0 with Commissioner Onken opposed.

ADJOURNMENT

The meeting adjourned at 10:25 p.m.

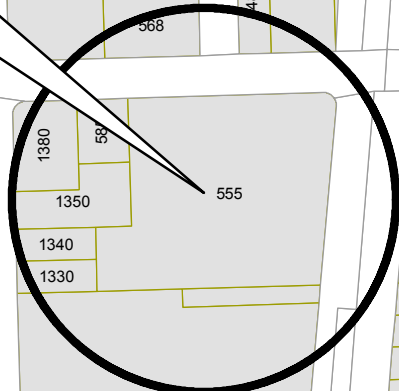
Staff Liaison: Planner Rogers, Senior Planner

Recording Secretary: Brenda Bennett

Approved by Planning Commission on March 18, 2013

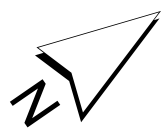


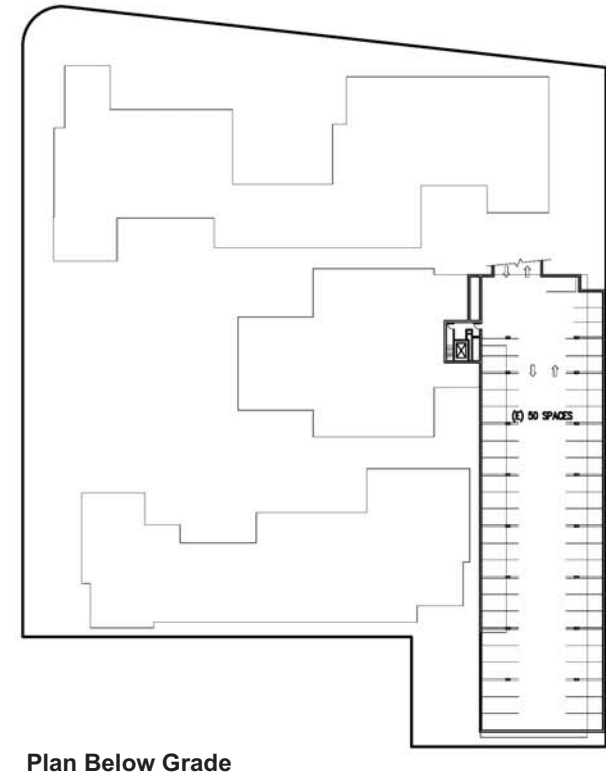
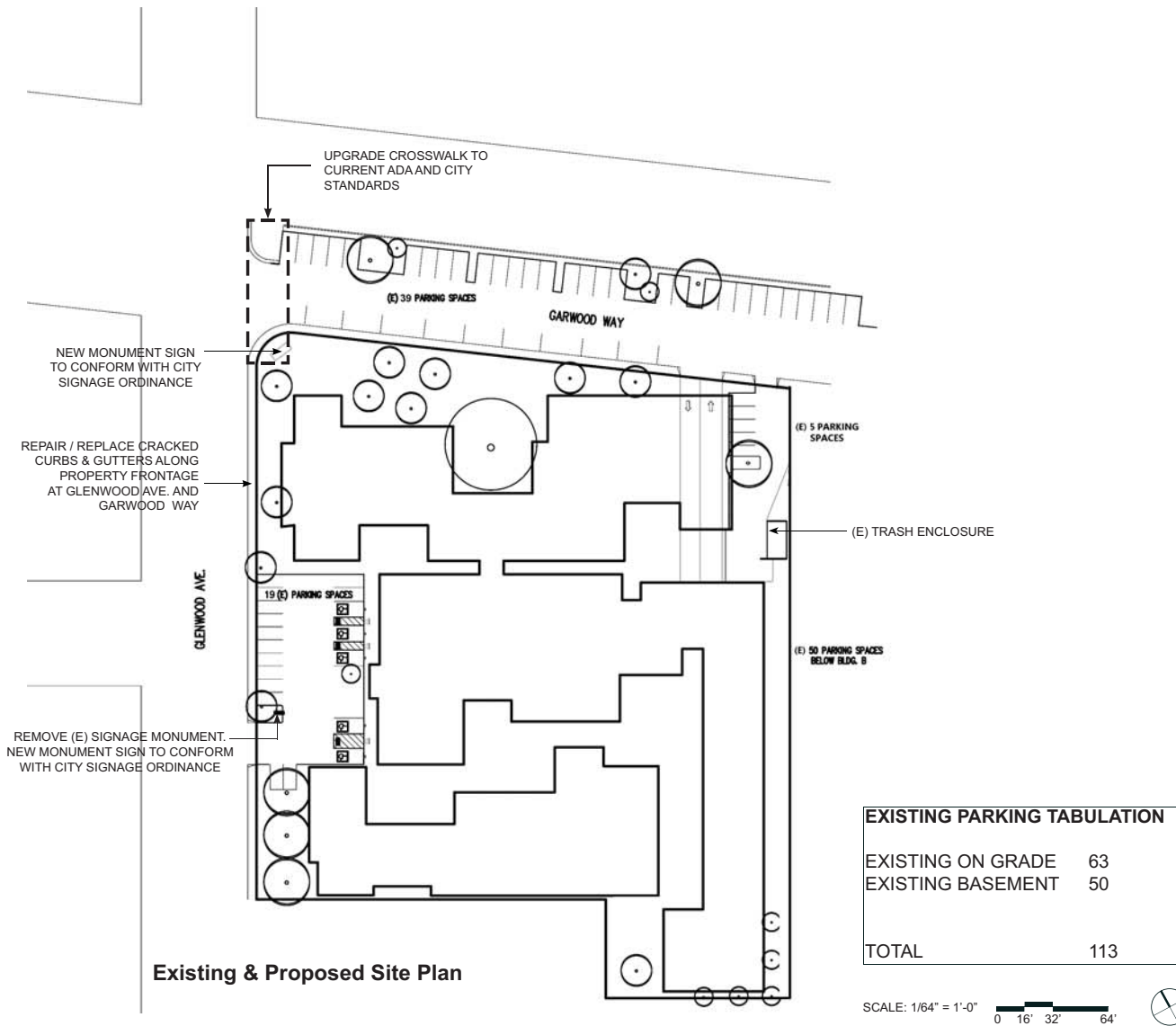
**PROJECT
LOCATION**



CITY OF MENLO PARK
 LOCATION MAP
 555 GLENWOOD AVENUE

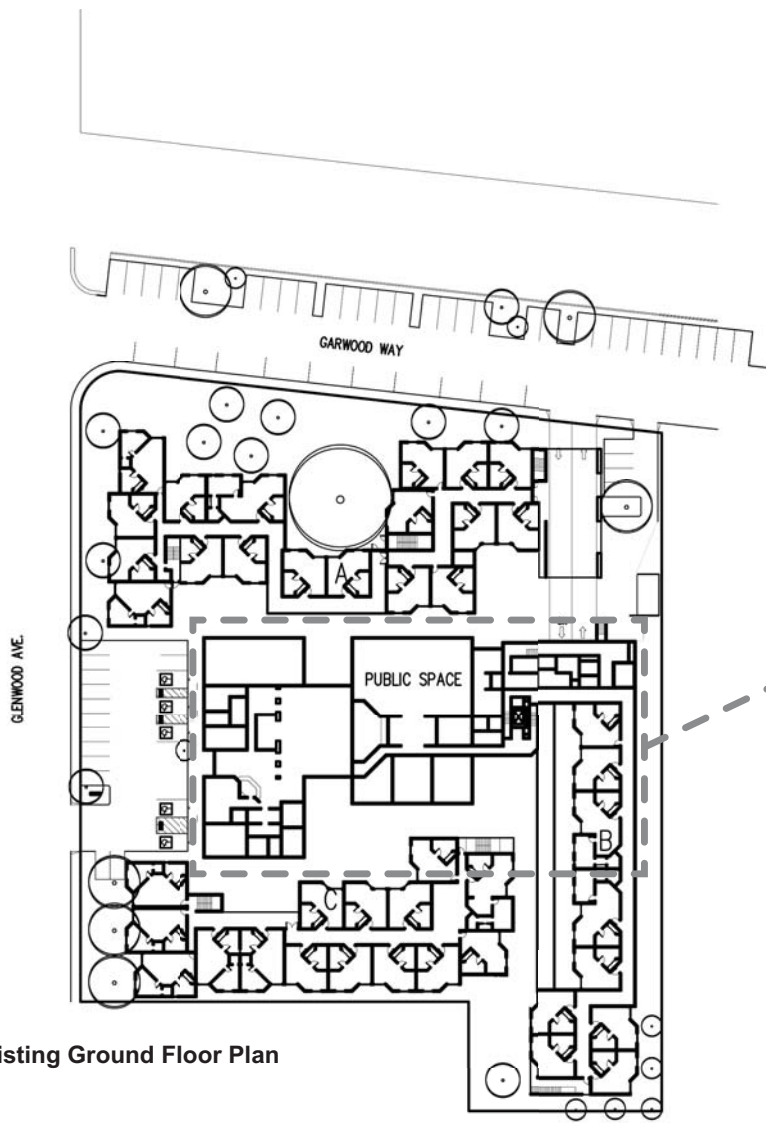
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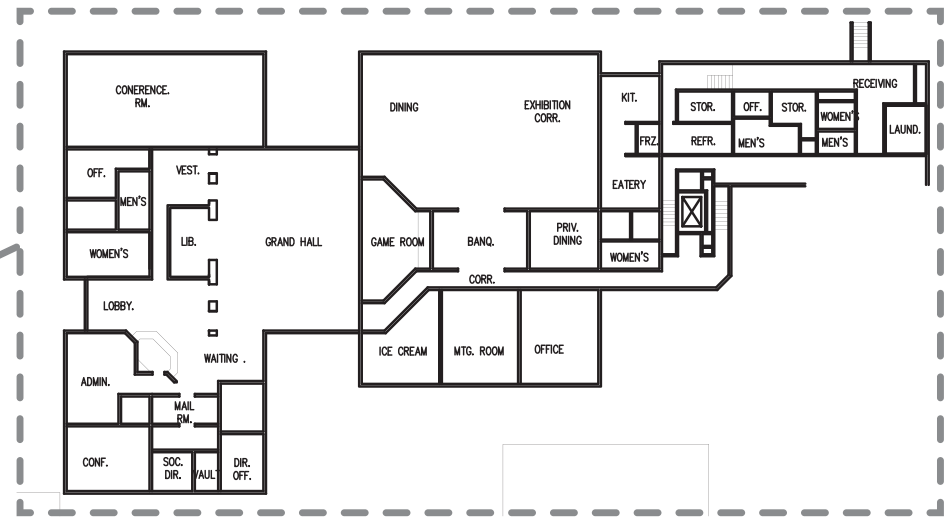


Residence Inn by Marriott
555 Glenwood Avenue, Menlo Park

Sand Hill Property Company

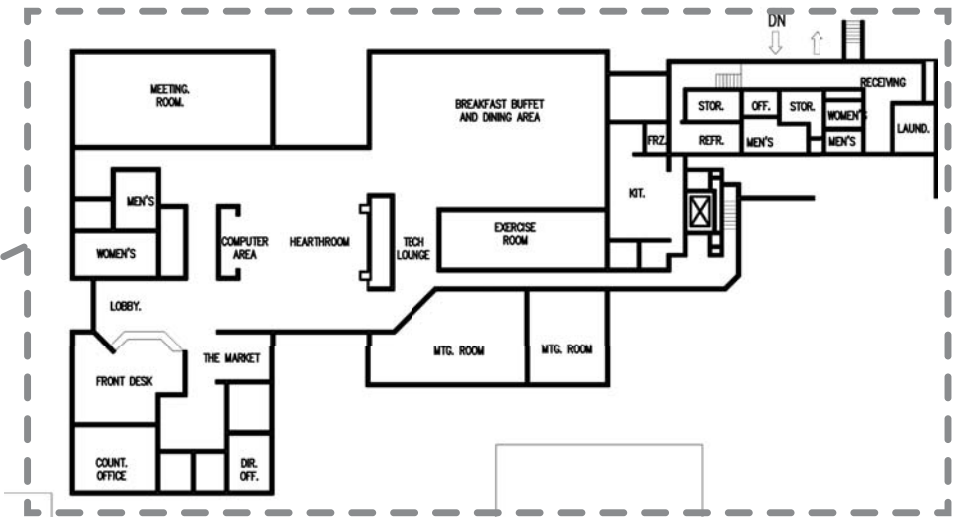
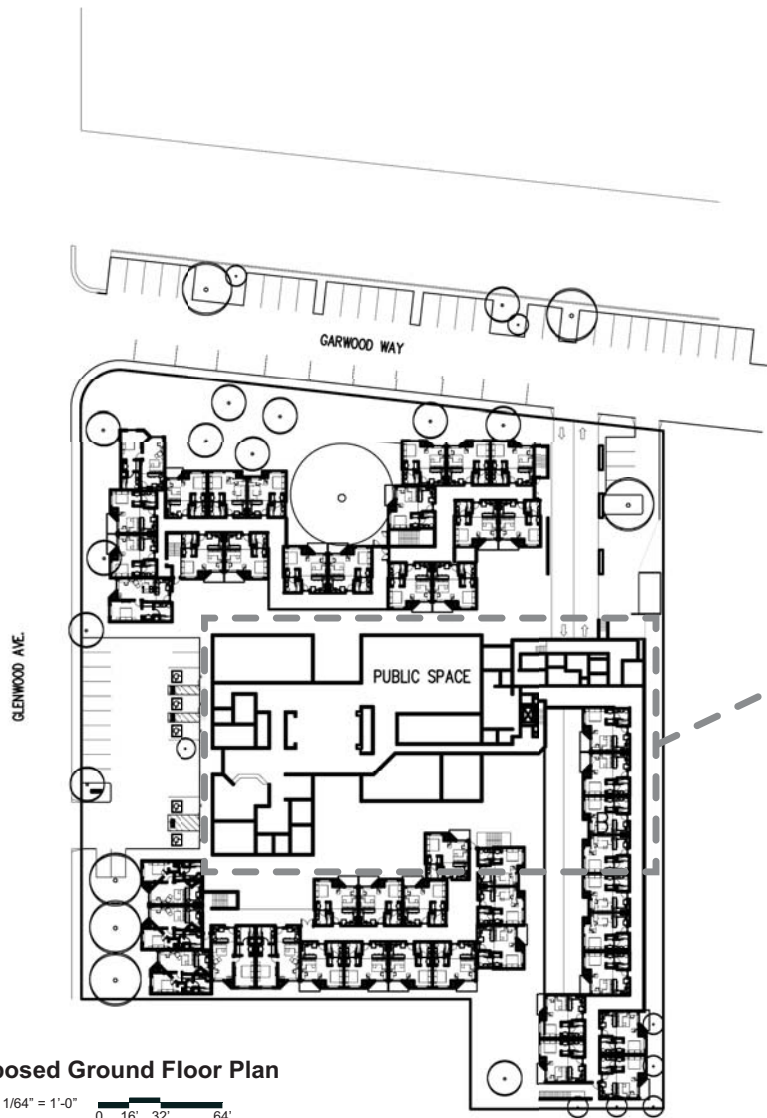


Existing Ground Floor Plan



Existing Public Spaces

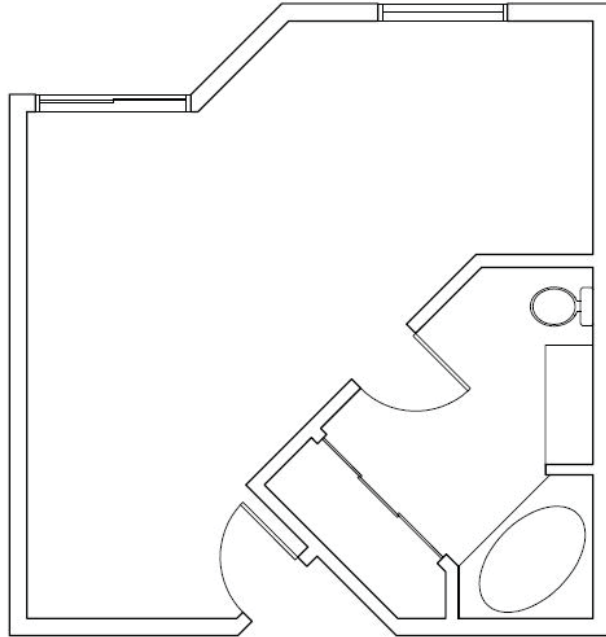
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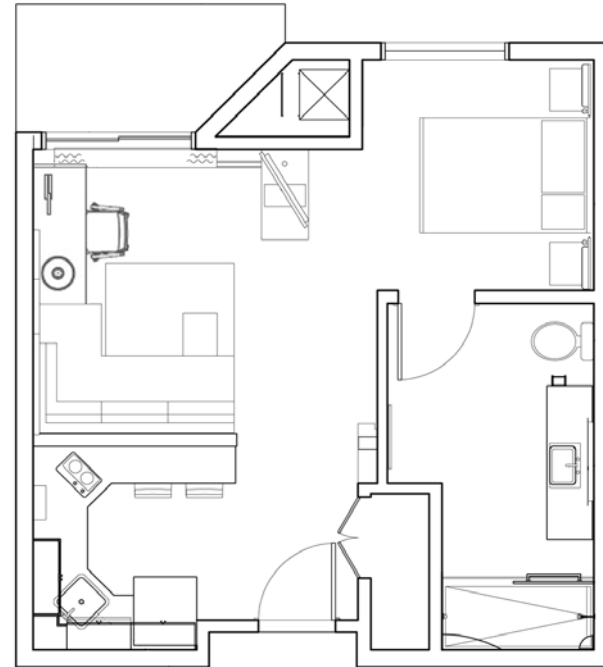
Residence Inn by Marriott
555 Glenwood Avenue, Menlo Park

Sand Hill Property Company

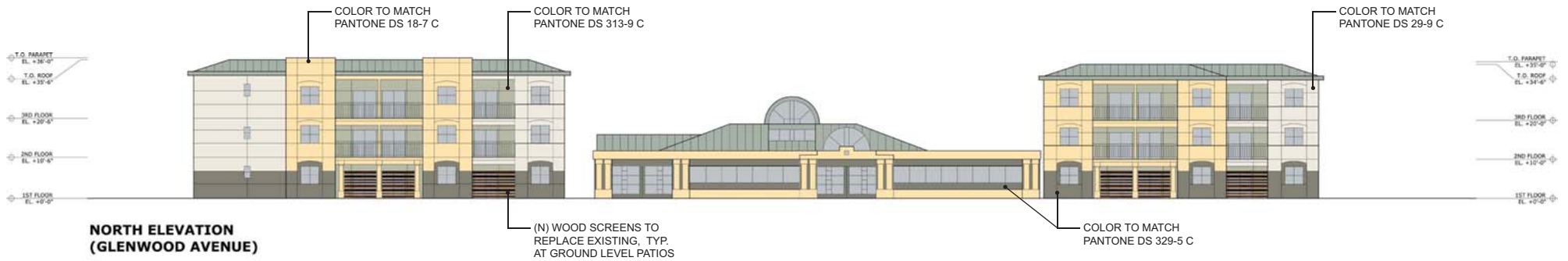
Stantec February 12, 2013



Existing Room Layout



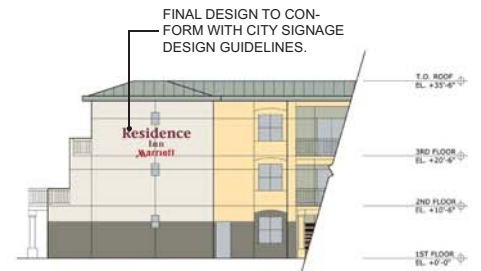
Proposed Room Layout



**NORTH ELEVATION
(GLENWOOD AVENUE)**

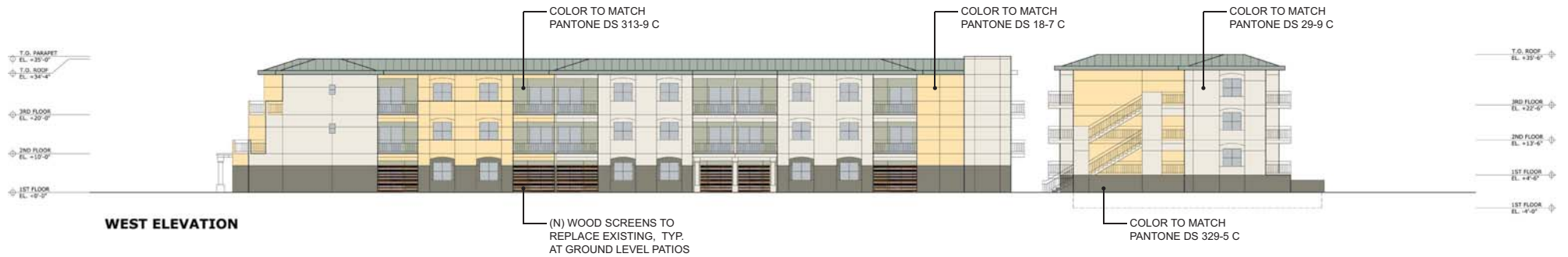


**EAST ELEVATION
(GARWOOD WAY)**



**PARTIAL WEST ELEVATION
(ENTRY COURT / PARKING)**





WEST ELEVATION



SOUTH ELEVATION

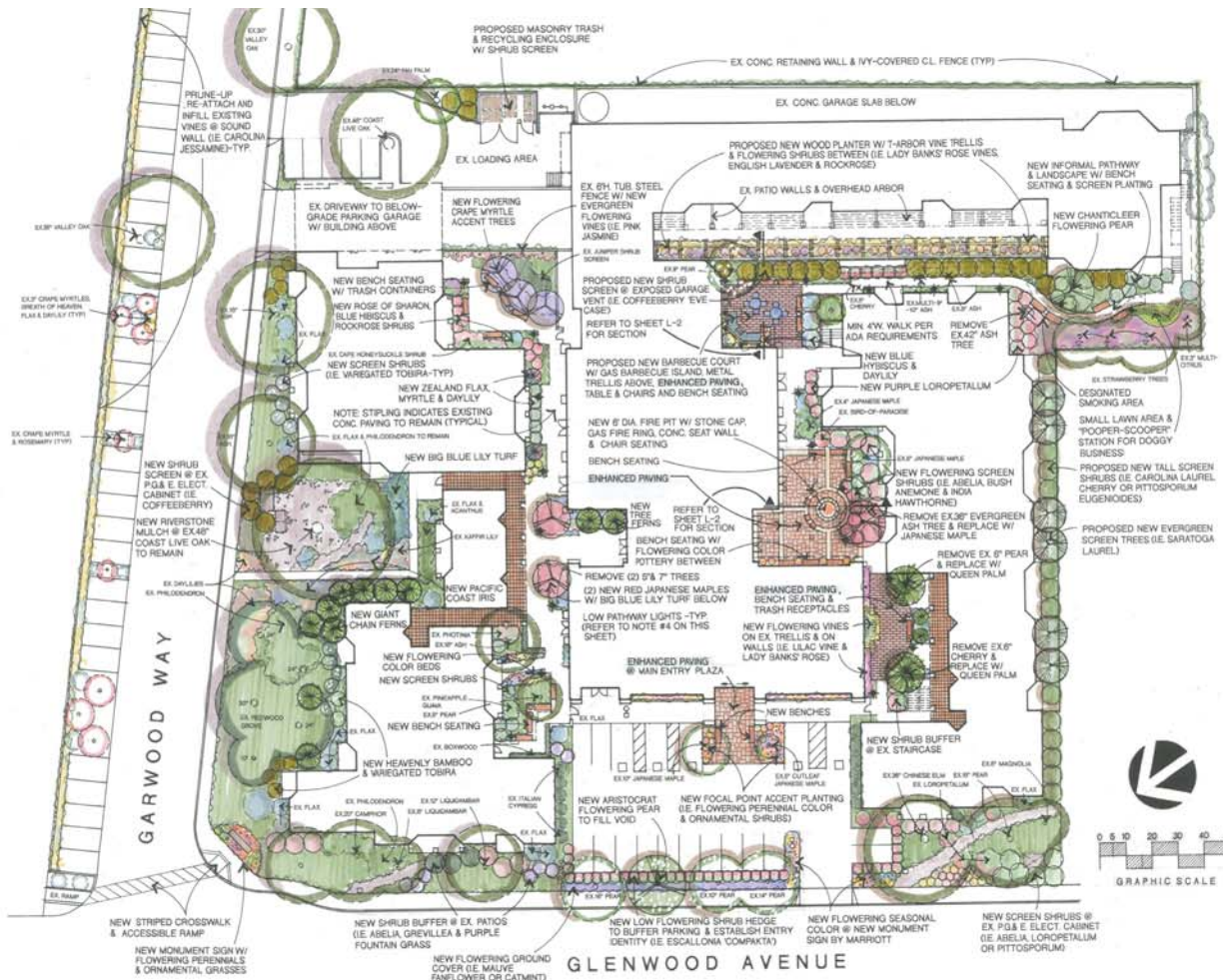


NEW FENCE TREATMENT AT GROUND LEVEL



FENCE REFERENCE IMAGES





CONCEPTUAL PLANTING PALETTE

QTY.	BOTANICAL NAME	COMMON NAME	SIZE	WUCOLS	
T R E E S :					
1	ACER PALMATUM	GREEN JAPANESE MAPLE	24" BOX	MOO.	
1	ACER PALMATUM	RED JAPANESE MAPLE	24" BOX	MOO.	
2	ARICATAEUM	QUERCUS	24" BOX	LOW	
1	ROMANOFFIIANUM	QUERCUS CHAPE MYRTLE	15 GALLON	LOW	
1	LACINOSTROBILIA FRAGRILIS	LAVENDER CHAPE MYRTLE	15 GALLON	LOW	
6	LAUREN X "SARATOGA"	SARATOGA LAUREL	15 GALLON	MOO.	
13	FRAXINUS CAROLINIANA	CAROLINA LAUREL	15 GALLON	LOW	
1	PRUNUS CALLENDARIA	ARISTOCRAT	24" BOX	MOO.	
1	"ARISTOCRAT"	FLOWERING PEAR	24" BOX	MOO.	
1	"CHRYANTHUS"	ORANTICLICKER FLOW. PEAR	15 GALLON	MOO.	
S H R U B S , V I N E S , P E R E N N I A L S A N D G R A S S E S :					
1	ABELIA GRANDIFLORA	GLOSSY ABELIA	5 GALLON	LOW	
1	ALCANTHOUS BORGII	BEAR BIRDSHOE	5 GALLON	LOW	
1	CALIFORNICA	BOSS ANEMONE	5 GALLON	LOW	
1	CITRUS 'DORIS HIBERNICA'	PINK BOKKAROO	5 GALLON	LOW	
1	CITRUS LAURIFOLIUS	CRIMSON-SPOT BOKKAROO	5 GALLON	LOW	
1	CYCAS REVOLUTA	SAGO PALM	15 GALLON	MOO.	
1	ESCALONIA "COMPACTA"	SMALL ESCALONIA	5 GALLON	MOO.	
1	GELOSMINIUM SERRIFOLIUM	CAROLINA JESSAMINE VINE	5 GALLON	MOO.	
1	MADONNINIUM VIGANCA	LILAC VINE	5 GALLON	MOO.	
1	HELIOTROPICUM	BLUE DAY GRASS	5 GALLON	LOW	
1	HEMOCALYX HYBRIDUS	HYBRID DAFFILY	5 GALLON	MOO.	
1	HIBISCUS SYRIACUS	ROSE OF SHIRAZ	5 GALLON	LOW	
1	JACQUINTEA POLYANTHA	PINK JACQUINE VINE	5 GALLON	MOO.	
1	LAURUNCIA	ENGLISH LAVENDER	5 GALLON	LOW	
1	LOPHOSTYLIS CHINEENSIS	PURPLE LOROPETALUM	5 GALLON	LOW	
1	"LO"	MYRTLE	5 GALLON	LOW	
1	MANDARINA LINDLEYANA	HEAVENLY BAMBOO	5 GALLON	LOW	
1	PANICUM BREVICORNIS	PURPLE POUTAIN GRASS	5 GALLON	LOW	
1	"P"	"PINK STRIPES"	NEW ZEALAND FLAX	5 GALLON	LOW
1	PITTOSPORUM SCERIFOLIUM	R.C.P.	15 GALLON	MOO.	
1	PITTOSPORUM TOSIANA	VASCATED VORTIA	5 GALLON	LOW	
1	REARITOLEPIS INDICA	PINK INDIA BARTHOLOMEW	5 GALLON	LOW	
1	"R"	YELLOW LADY HANES ROSE	5 GALLON	MOO.	
1	ROSA BANESIENSIS "LUTEA"	GLAY CHAIR FERN	5 GALLON	MOO.	
1	WOODWARDIA FIMBRIATA	GIANT CHAIR FERN	5 GALLON	MOO.	

REMOVE EXISTING TREES AND PLANTS TO BE REMOVED:
 FLOWERING SEASONAL COLOR FROM 4" POT # 8" O.C. (IRIS-3 VARIETIES)
 AGAPANUS "PETER PAN" SNAPP BLUE LILY-OF-THE-VALLEY 1 GAL. # 24" O.C.
 LILIOPE MORGANI BIG BLUE LILY TUBE 1 GAL. # 18" O.C.
 RIZANTHUS BIRNBERG JAPANESE STIVENS GRASS 1 GAL. # 36" O.C.
 MULLERBERGIA STIBENS DEER GRASS 1 GAL. # 36" O.C.
 RIZANTHUS FANBERGII CATYPA # 24" O.C.
 DOCKERSIA INDICA INDIAN ROCK STEWARDIA PLATE # 18" O.C.
 SCAPYOLA "MAVIE CLUSTERS" MAVIE FANFLOWER 1 GAL. # 24" O.C.
 TALL FESCUE SOG BY "PACIFIC SOG" OR APPROVED EQUAL

GENERAL DESIGN NOTES

- THE FINAL LANDSCAPE AND IRRIGATION PLANS WILL CORRELATE WITH THE CRITERIA OF THE WATER CONSERVATION IN LANDSCAPING ORDINANCE AND WILL BE APPLIED FOR THE SPECIFIC USE OF WATER IN THE LANDSCAPE AND IRRIGATION DESIGN.
- TREES ARE TO BE (1) EXISTING SITE TREES TO BE REMOVED, ONLY TWO (2) OF THESE TREES ARE OF HERITAGE TREE SIZE; A 43" DIAMETER FRAXINUS (USDA EVERGREEN SIZE) AND A 14" DIAMETER FRAXINUS (USDA TWENTY-FIVE (25) NEW TREES ARE PROPOSED ON OUR CONCEPTUAL LANDSCAPE PLAN.
- THE EFFORT OF THE LANDSCAPE DESIGN IS TO REMOVE ANY TREES AND SHRUBS THAT ARE INAPPROPRIATELY LOCATED, ARE IN POOR OR DECLINING CONDITION, HAVE A DESTRUCTIVE ROOT SYSTEM (LOOK AT THE HERITAGE TREE BEING REMOVED), AND SPECIES THAT ARE OVERSHADOWING AND UNATTRACTIVE. WE ARE PROPOSING A NEW PLANT PALETTE THAT WILL BE WATER-EFFICIENT, PROVIDE ORNAMENTAL VALUE, ALLOW MORE SUNLIGHT INTO THE LANDSCAPE CONDITIONS AND ARE APPROPRIATELY LOCATED FOR THE INTENDED EXPOSURE.
- THE PROPOSED LOW VOLTAGE LIGHTING INDICATED ON THE PLAN IS SCHEMATIC. THE FINAL LIGHTING PLAN, ELECTRICAL REQUIREMENTS AND PHOTOVOLTAGE WILL BE PREPARED BY QUALIFIED ELECTRICAL CONSULTANT.
- OUR CONCEPTUAL LANDSCAPE PLAN INDICATES NEW LANDSCAPE AREA FOR THE INTERIOR LANDSCAPE CONDITIONS AND THE MAIN ENTRY PLAZA. THE FOLLOWING IS A SQUARE FOOTAGE BREAKDOWN OF THOSE NEW PAVING AREAS:
 (a) CURVED BRICK PATIO = 441 S.F.
 (b) MAIN ENTRY PLAZA = 451 S.F.
 (c) BARBECUE COURT = 444 S.F.
 (d) FIRE PIT PLAZA = 1417 S.F.
 (e) 4' W. CONC. WALK = 220 S.F.
TOTAL = 3213 S.F.

RESIDENCE INN BY MARRIOTT
 555 GLENWOOD AVENUE, MENLO PARK, CALIFORNIA
 SAND HILL PROPERTY COMPANY

CONCEPTUAL LANDSCAPE PLAN

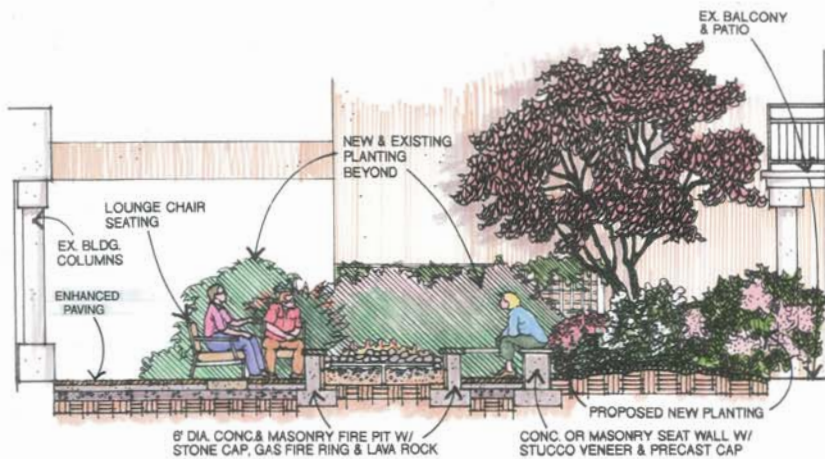
LADERBAUGH ASSOCIATES
 Landscape Architecture/Planning
 425 Clyde Avenue
 Mountain View, California 94043
 (650) 691-9771 | (650) 691-9773

L-1

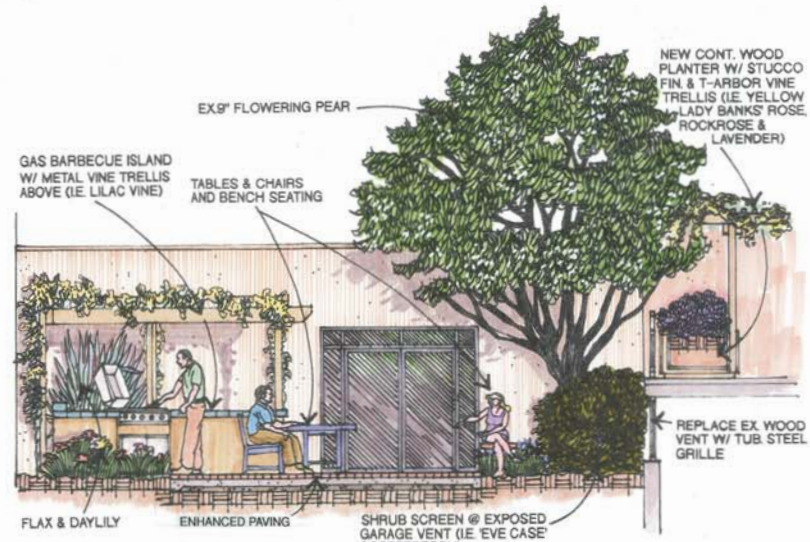
Residence Inn by Marriott
 555 Glenwood Avenue, Menlo Park

Sand Hill Property Company

Stantec February 12, 2013



ILLUSTRATIVE SECTION AT FIRE PIT PLAZA



SECTION @ BARBECUE COURT & PARKING GARAGE

RESIDENCE INN BY MARRIOTT
 555 GLENWOOD AVENUE, MENLO PARK, CALIFORNIA
 SAND HILL PROPERTY COMPANY

ILLUSTRATIVE LANDSCAPE SECTIONS

LALDERBAUGH ASSOCIATES
 Landscape Architecture/Planning
 425 Clyde Avenue
 Mountain View, California 94043
 (855) 691-9711 | (650) 691-9713

L-2



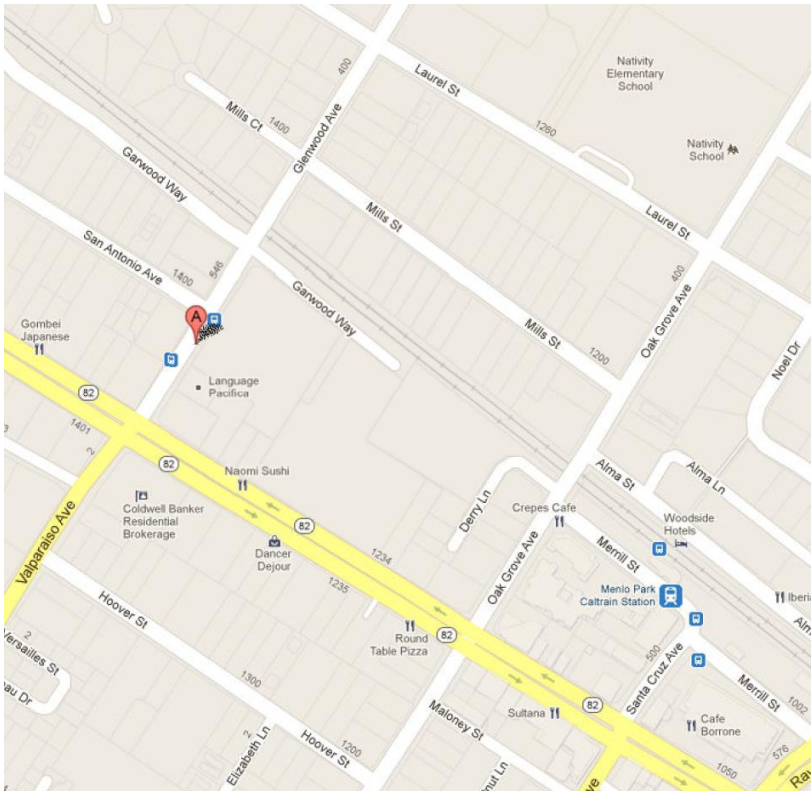
SAND HILL PROPERTY COMPANY

PROJECT DESCRIPTION RESIDENCE INN BY MARRIOTT, MENLO PARK FEBRUARY 22, 2013

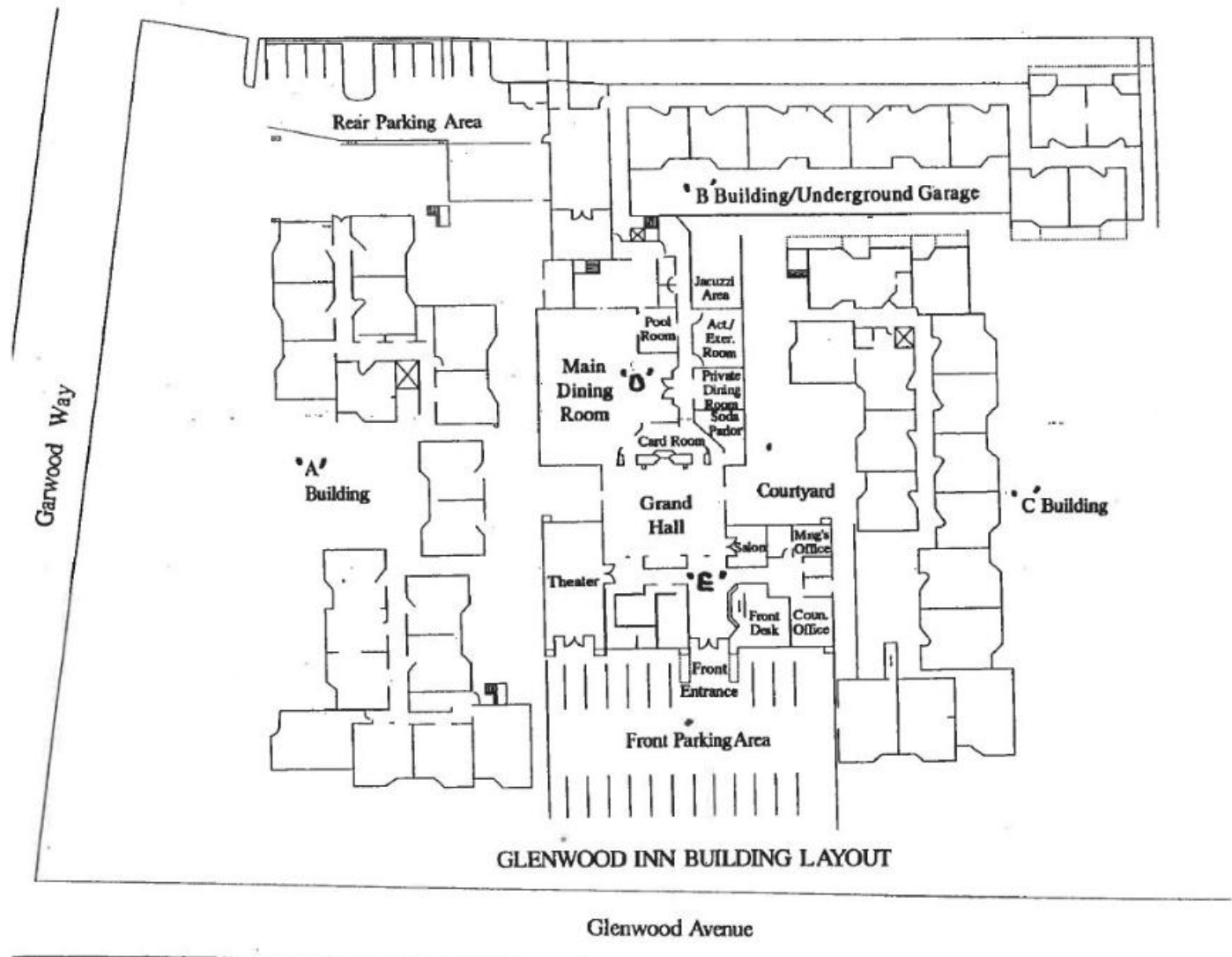
Sand Hill Property Company (the "Company") desires to change the permitted use of 555 Glenwood Avenue (the "Property") , commonly known as the Casa on the Peninsula, from retirement living complex to a Marriott Residence Inn hotel. The Company has received preliminary feedback from City Council in an October 30th study session and has had in-depth discussions (and negotiations, as to resulting TOT revenue) with staff and is presenting this revised project description in connection with its previously submitted "development permit application".

PROJECT LOCATION

The subject property is located at 555 Glenwood Avenue at the corner of Garwood Way, less than a block to the east of El Camino Real and approximately one block (less than one quarter of a mile) from the Menlo Park Caltrain Station. Due to its proximity to mass transit alternatives, the property should be considered a transit-oriented site. Glenwood Avenue bounds the project to the north and Garwood Way (and the adjacent Caltrain railroad tracks) bound the project site to the east. Beyond two commercial parcels to the north sits El Camino Real. The site is isolated from adjacent residential neighborhoods by El Camino Real and the railroad tracks.



Existing Building Layout



The existing facility serves both independent and assisted living residents aged 62 years or older. No skilled nursing, Alzheimer's care or rehabilitation care is offered. This is not a continuum of care facility.

Actual rental rates currently range from approximately \$4,000 to over \$5,000 for an "independent" resident in a basic living suite. Additional charges apply for assisted living care (in-room meal service, grooming, dressing, toileting, among other like services) and can bring total monthly room rents to over \$7,000. These are not "affordable" or subsidized rents – they are "at market" and at the highest rate it can bear.

The facility has been operating at far below capacity as a result of the current owner's contemplation of exiting the business and currently only stands at approximately 13% occupancy.

In terms of impacts of the facility closure on the remaining residents, existing state codes govern how the current owner must close the facility and assist in the relocation of residents prior to a sale taking place. Among other things, it is our understanding that (i) the current owner will be generating a relocation plan customized to each resident and coordinating with the governing agency as to that person's relocation, (ii) from the provision of this information residents would have 60 days' notice to vacate, (iii) staff will be maintained to assist the residents in their moves, and (iv) referral agencies will be retained to place them in a new home. In fact, the current owner has recently informed us that they have formally initiated the closure of the existing facility, relative both to state oversight as well as the remaining occupants. The relocation of the residents from this facility should be easier than had it been a skilled nursing home or rehabilitation facility, where the health conditions of residents would present unique challenges, or an

affordable senior housing community, in which case the available options for residents with subsidy requirements for relocation would have been much more limited.

Given the rapid rate of move-outs since this project was submitted for City review, it is apparent that the residents of this facility are highly mobile and have options financially. While there are a few exceptions, the majority of the remaining occupants is from Menlo Park and adjacent communities such as Palo Alto, Atherton and Redwood City and has family support locally. (Note that residents or their families typically choose residential care facilities based on proximity to the home of the resident or the home of the families responsible for their care.)

The property sits within the El Camino Real Mixed Use/Residential land use designation of the City's recently adopted El Camino Real / Downtown Specific Plan.

PROJECT OBJECTIVE

The renovation and adaptive re-use of an underutilized assisted living facility to/as a Class A, vibrant, tax-generating, business-oriented, internationally-recognized hotel, which use is permitted and encouraged by the City of Menlo Park pursuant to its recently adopted Specific Plan.

PROJECT DESCRIPTION

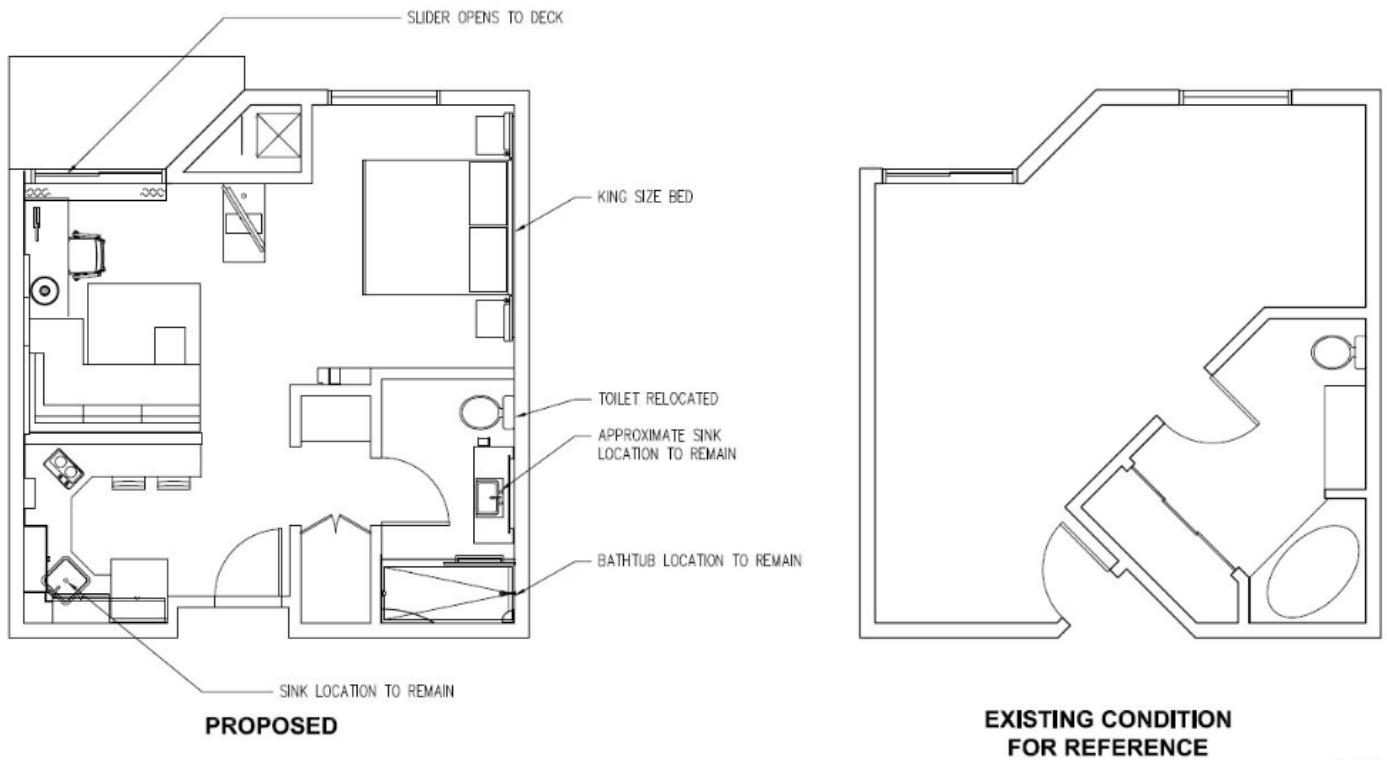
The proposed project is the conversion of the existing market rate assisted living senior housing complex into a limited service hotel. The hotel brand proposed would be Residence Inn by Marriott ("MRI"), a Marriott brand with over 650 locations throughout the United States. The Company is an experienced hotel developer and has previously developed (and continues to own and operate) a MRI in Los Altos, CA. (The Los Altos MRI has continuously ranked in the top 5% globally in guest satisfaction, including multiple "Platinum" awards, since we opened it 11 years ago.) Marriott has already given the Company its approval of the site as a MRI consistent with this project description. The MRI brand is ideal for the Menlo Park area because it will appeal not only to the corporate travelers visiting the Silicon Valley and nearby Stanford University, it will also serve as a popular amenity to the residents and businesses of the local Menlo Park community. While the average guest stay is 5 to 10 days, MRIs often appeal to guests staying for a week or longer and provide them away-from-home comforts including functional in-room and public area work spaces, free daily hot breakfasts, free high speed internet in guest rooms and public areas, convenient 24 hour snack and essentials market, as well as complimentary social events including foods and beverages in the afternoon, while also offering on-site amenities including private meeting rooms, a business center for guests, a communal room for guest work pods/spaces, a guest "hearth room" or sitting room, a breakfast buffet and eating room, exercise room, and fire pit and barbecue area.

The project proposes no increases to the existing lot coverage or floor area. Conveniently, the existing facility very closely mirrors the layout of a prototypical MRI brand product. The size and layout of the guest quarters transitions seamlessly into the various guest room mixes required for a MRI. Additionally the common area and facilities currently in Building A (the public area building) will be reallocated and reconfigured to accommodate the MRI amenities requirements and appeal to the demands of the local market. The goal is to update the existing facilities to create a fresh, unique, and high quality environment that provides state of the art technology, amenities, and business services while still maintaining a consistency with the exterior so as to integrate the use change into the existing neighborhood character.

Existing Facility's Common Area		Proposed Hotel Public Space	
Room Description/Use	Approx. Square Footage	Room Description/Use	Approx. Square Footage
Activity/Exercise Room	483	Meeting Room I	483
Card Room	420	Meeting Room II	828
Grand Hall	1711	Meeting Room III	1209
Library	178	Tech Lounge	420
Main Dining Room	2793	Hearthroom	1711
Pool Room	261	Computer Area	178
Private Dining Room	475	Breakfast Buffet & Dining Area	2467
Restrooms	371	Exercise Room	587
Salon	165	Restrooms	371
Soda Parlor	353	The Market	165
Theater	1209		
TOTAL	8419	TOTAL	8419

Residence Inn hotels are designed to accommodate the extended-stay traveler, and the rooms will be spacious suites with full kitchens and separate areas for sleeping, working, eating, and relaxing.

The below diagram illustrates a potential renovation of an existing studio layout to the MRI proposed studio layout. The existing room structures and plumbing fixtures generally remain in place despite new configurations for the furniture and equipment.



For the ideal MRI room mix, the project proposes the restoration of the converted two-bedroom/two-bathroom guest quarters back into their original studio configuration. The current owner had over time converted 26 original studios into two-bedroom/two-bathroom quarters by simply removing the demising wall and second kitchen area and keeping all other elements of the guest quarters intact. Our project contemplates the reversion of those converted two-bedroom/two-bathroom quarters into their original layout as a single studio guest room by re-introducing the demising wall and the removed kitchen area. The new proposed guest room mix would be as follows:

Room Type	Existing Senior Guest Quarter	Proposed under MRI
Studio	86	112
One Bedroom	14	14
Two Bedroom/Two Bathroom	25	12
Total Room Count	125	138

Note that the original PD permit for the existing buildings permitted 138 “living suites” and the buildings were originally developed with those 138 rooms. The applicant is not aware if the merging of any or all of those 13 studio units was authorized and/or permitted by the City.

No increases to the property’s existing heights (35’), lot coverage, or floor area (113,800 sq ft) are proposed in our project.

Parking

Furthermore, we propose no decrease to the site’s parking supply. Today there are total 74 parking stalls on site (19 on the surface parking lot near the entrance and 55 in the rear and in the below grade parking garage). The facility also currently has use of an additional 39 stalls on Garwood Way, which the current owner had represented to us were

exclusive to the facility¹. The current parking ratio falls below what is typically required for housing but is suitable for a business hotel use.

Our project would propose on- and off-site parking to accommodate the operations of the MRI. In addition to the continued exclusive use of the 30 off-site stalls along the east side of Garwood Way², the project proposes the 9 existing parallel stalls along the Property on the west side of Garwood Way, which is the maximum amount of stalls readily available to be added to the site (without removing existing buildings and/or constructing more underground parking areas). Based on the Company’s operating experience (and empirical data from its Los Altos MRI), as well as Marriott’s site-specific requirements, only with the inclusion of the above Garwood Way stalls is the parking ratio manageable for the proposed MRI operation. A parking analysis from TJKM justifies the proposed parking ratio for the business hotel use.

Location	Existing	Proposed under MRI	Change
Entrance Surface Lot	19	19	0
Surface Lot at Building Rear	5	5	0
Below Grade Garage	50	50	0
Garwood Way – East Side	30	30	0
Garwood Way – West Side	9	9	0
Total Count	113	113	0
Ratio of Stalls to Rooms (inclusive of stalls along Garwood Way)	0.904	0.819	
Ratio of Stalls to Guest Quarters (exclusive of stalls along Garwood Way)	0.592	0.536	

The proposed parking rate above is supported by industry standard rates for the proposed use as well as actual parking usage rates for the Company’s comparable MRI in Los Altos. The Company has audited the parking demand of its 156-room Los Altos MRI (regularly 100% occupied) for five consecutive months in 2012 and the resulting data shows that the parking usage peaks at 0.75-0.88 stalls per room³ and averages at approximately 0.68 stalls per room. Additionally, we conducted a parking study that corroborated this data. Quite simply neither the Company as the future hotel operator nor Marriott as the hotel franchisor requires stalls beyond what is proposed to satisfy the future parking demand of this business hotel.

Further, not only would the requirement of additional stalls be unnecessary but it would make the project infeasible. The costs of construction to provide subterranean parking are prohibitively high. Adding this below ground parking would also require the removal of portions of the existing structure, as would the creation of additional surface parking. The addition of an above-ground parking structure over the portion of the property currently used as surface parking along Glenwood Avenue is not only cost prohibitive for this project but such a structure would be highly visible from the

¹ Garwood Way was developed as configured by the original developer of the property at his expense in connection with the entitlement and construction of the existing assisted living facility.

² There is and has been for apparently many years signage all along the eastern parking on Garwood indicating it is private parking for use solely by the Glenwood Inn.

³ This figure is inflated at least 5-10% as it does not exclude unauthorized night-time parkers from the offices of Box.net, our next door neighbor.

street and would negatively affect the character of the surrounding area, not to mention the aesthetic of the hotel. The addition of parking stackers or lifts in the existing below grade parking area is physically impossible due to clear height constraints. Finally, the labor costs of providing 24 hour valet services and stacker or tandem stall management is financially infeasible.

REVIEW & APPROVAL PROCESS

In July of 2012, the City of Menlo Park adopted the El Camino Real / Downtown Specific Plan (the "Plan"). As of that date, all new development proposals in the Plan area, which encompasses the Property, are now required to adhere to the Specific Plan regulations.

The Company believes the proposed project is in conformance with the guidelines and is strongly supported by the objectives of the Plan.

Our review of the Plan showed that:

- ✓ The Property sits within the Plan's ECR Mixed Use / Residential district (the "District").
- ✓ The existing buildings generally comply with the District's development standards.
- ✓ The hotel use is a permitted use within the District.
- ✓ The hotel use is considered a public benefit by the Plan for its tax revenue and vibrancy.
- ✓ The Property's parking is deficient for the proposed hotel use using the Plan's 1.25 stalls per room ratio.
- ✓ The Plan allows for justifiable parking reductions.
- ✓ The Plan attempts to incentivize public benefit by granting development bonuses or other concessions.

Parking Reduction

With respect to the above-referenced parking shortfall, as previously outlined the lower number of provided stalls will not have a negative impact on the operations of the hotel or on the adjacent community as the demand will be fully met. In fact, the Plan itself:

- (i) acknowledges that the prescribed parking rate is "conservative" and "industry standard" as opposed to accurate and customized to suit the variety of potential hotel types (limited service hotels such as MRI involve substantially fewer employees – our Los Altos MRI has only two night-time employees on site – than full service hotels, which we believe was a major driver for the high 1.25 "standard" rate) and
- (ii) offers various scenarios in which a qualifying project can justifiably propose a parking supply that does not meet the Plan's minimum parking ratio or involves a use that is not contemplated by the Plan.

The Plan provides that its minimum parking requirements are "higher than average for commercial uses when compared to neighboring jurisdictions." The Plan considers a hotel to be a commercial use. Accordingly, the Plan offers that "there is an opportunity to reduce the minimum parking requirements for some types of development to account for the accessibility of the downtown to non-automobile users and the potential for shared parking."

Non-Automobile Users

We anticipate a great deal of our proposed hotel's occupancy will come from "non-automobile users". For one, as a member site of the ECR MU/R land use designation, we of course are located less than a quarter of a mile from Menlo Park's Caltrain Station and four SamTrans bus routes (one Express, one Community, and two Caltrain connecting routes, one of which also connects to BART) and expect a significant percentage of guests and employees to travel by modes other than private automobile. Further, from our experience operating the Los Altos MRI, a large portion of the proposed hotel's guests will be "non-transit non-automobile users" including the following guest profiles:

- Business traveler visiting a company within walking or biking distance of hotel

- Business traveler ride-sharing with coworkers (either also staying at the hotel or locally based at the business being visited)
- Longer-term guest from a foreign country who has no valid driver's license utilizing a car service
- Leisure traveler visiting family who is responsible for the guest's transportation

Shared Parking

As the Plan states, "different uses have different parking demand characteristics, with some uses (like offices) peaking during the day on weekdays and other uses (like housing) peaking in the evenings and on weekends. Providing parking spaces that can be shared between these uses is a more efficient usage of the limited amount of available parking."

First, there is an abundance of available street parking in the vicinity of the Property. In addition to the Property's 30 dedicated stalls on the east side of Garwood Way south of Glenwood Ave, there is approximately 300 linear feet of parallel parking on the west side of Garwood which is effectively used only by visitors to the Property. Crossing Glenwood also on the west side, from the corner there is another 150 lf of uninterrupted parallel parking on Garwood alongside the PG&E substation, for which there is little to no competition as the adjacent uses are single family or low density residential with adequate off-street and adjacent on-street parking for residents and guests.⁴

Further, the entire block in which the Property sits (including large vacant lots such as 1300 El Camino Real and the Derry Property) contain no other residential or hotel uses, only commercial uses. Hotel and residential uses typically share similar evening peak hours and are compatible shared parking mates with the day-time peaking commercial uses.

The Plan provides that "shared parking reductions are not included in the City's existing rates, although individual developments can currently request parking reductions based on specific factors". This project is an excellent candidate for a parking reduction not just because it is transit-oriented but on the basis of shared parking efficiencies.

Finally, the Plan introduces a specific geographic zone referred to as the "Station Area Sphere of Influence", which zone includes the subject site. Interestingly the Plan grants all projects within the Station Area Sphere of Influence proposing a multifamily residential use a dramatically reduced minimum parking rate of 1.0 stall per residential unit. This effectively is a 45% reduction from the standard multifamily residential Specific Plan parking rate of 1.85 (which would be applicable to all sites outside of the Station Area or the Station Area Sphere of Influence). As discussed previously, hotel use parking acts very similarly to residential use parking (except hotel use parking typically does not involve weekend daytime volumes like residential use). The question we present to staff is would it not be appropriate to offer hotel uses within the Station Area Sphere of Influence the same kind of Sphere of Influence parking requirement reduction. (This would make the 1.25 stalls per room rate closer to 0.70, aligning with our operational needs.) We feel that, given the above justifications, it would.

We have commissioned the preparation of a parking analysis by TJKM, which concludes that the proposed parking is adequate for the proposed use, and have included same in our project application for the City's reference. TJKM also performed an assessment of the traffic impacts of the proposed use change and determined that level of service impacts at the four study intersections (as identified by staff) due to the proposed project are also considered acceptable. The traffic analysis was also included in the application.

Public Benefits

We feel the public benefit the proposed project inherently offers to the community should be a material element of the City's consideration of the proposed project.

⁴ It should be noted that the Plan indicates that downtown on-street parking supply would not be impacted by the parking situation at the intersection of Glenwood and Garwood. The Plan's Figure F5 clearly demarcates the Property as "Outside Downtown On-Site Parking Area", while Table F3 ("Existing and Future Downtown Parking Supply") and Figure F6 ("Proposed Public Parking Downtown") show in practice that overflow parking by our proposed hotel at the Glenwood/Garwood intersection would be separate and distinct from the downtown parking dynamic.

The Plan reveals that the community believes “hotels are a desirable use for the City from a fiscal and economic development perspective.” Accordingly, the Plan identifies the hotel use that by itself will be considered a public benefit. No other use is so esteemed. The Plan explains that hotel use is considered a public benefit because it generates higher tax revenue for the City while also enhancing downtown vibrancy. Our proposed MRI will undoubtedly accomplish both of these things, and more. Below is a list of public benefits that will result from the proposed MRI:

Transient Occupancy Tax (“TOT”). This is a topical issue right now for the City as it attempts to manage on-going budget challenges. The November election resulted in the increase of the TOT rate in the City from 10% to 12%. The proposed MRI hotel would introduce 138 hotel rooms to the City, which based on our market knowledge and 2011 operating data from our neighboring Los Altos MRI, and confirmed by a fiscal impact consultant, at the current 12% TOT rate would conservatively generate over \$650,000 in total annual tax revenue from this hotel. In fact, based on 2012 operating data from the Los Altos MRI, we believe a more accurate projection of annual TOT is one that exceeds \$725,000. Furthermore, this revenue would be independent of the state’s budget crisis and not subject to appropriation, as was the case when the State of California eliminated the Redevelopment Agency in January 2012. The proposed MRI’s tax revenue is pure bonus revenue with no accompanying economic disadvantages to local businesses and would be immediately accretive to the Plan and the greater economic development of the City in every sense.

- ✓ Direct Economic Stimulus to the Community. In addition to tax revenue, the hotel will generate economic stimulus within the community on a direct basis. The proposed MRI is geared toward the business traveler (we expect an 80/20 split between business and leisure guests), and we expect the productivity of the Menlo Park business community to benefit from the introduction of a business friendly, amenitized hotel. The hotel proposed multiple meeting spaces that will not only be amenity to guests but available to the public. We expect these quasi-public spaces to be popular with all of the City’s businesses, large or small. Furthermore, based on our experience with the Los Altos MRI, we know guests prefer to eat and shop locally and preferably within walking distance – our proposed Menlo Park MRI is in a more walkable location than our Los Altos MRI (and per the Plan sits within a 5 minute walking radius of the Santa Cruz/El Camino Real intersection), so we are confident our guests will generate spending with downtown businesses. Additionally, we expect the proposed hotel to create nearly 50 net new jobs in the local economy, even after considering any eliminated by the closure of the existing facility. This means with this one project the City will have already created 2+% of the 1,357 new jobs the Plan hopes to create over the next 30 years. Further, our internal projections indicate that the proposed project will generate a net increase of \$3.4 million in direct economic activity, \$1.6 million in indirect impacts and \$1.6 million in induced impacts for a net total of \$6.6 million of economic activity added to the local economy.
- ✓ Vibrancy. The proposed hotel will offer guests a premier location within walking distance of Caltrain and downtown that will result in their maximum interaction with the community that surrounds the hotel. We expect over 120 guests to be introduced to the greater downtown area on a nightly basis, and many of which will spend their days here as well. The location of the proposed hotel is highly beneficial to the community. At the edge of the Plan’s “Station Area Sphere of Influence”, the hotel will activate the Station Area and allow for the expansion of the borders of the greater downtown area and bring vibrancy to a pocket of the City that currently is at risk of being deadened by the lack of connectivity caused by the adjacent railroad tracks. An important publicly-stated City goal is to enhance connectivity. As the Plan states, “There is a relatively weak connection between the train station and downtown, with limited foot traffic and activities that would otherwise generate more vibrancy in the area.” We believe this trend would be reversed by the proposed hotel and its location.
- ✓ Improvement of Underutilized Properties & Sustaining Village Character. The existing facility, ‘Casa on the Peninsula’ and formerly (and perhaps more commonly) known as the ‘Glenwood Inn’, has been running at occupancies well below industry and market standards for several years as the owner has been contemplating exiting the business. The facility has accrued a significant amount of deferred maintenance and has not enjoyed a comprehensive “refresh” in many years. The exterior of the buildings and perimeter of the property, while offering interesting architecture and pleasing landscaping, are tired and merit rehabilitation. In anticipation of

85% hotel occupancy rates, the conversion to the hotel use would involve significant cosmetic improvements to the exterior (as well as to the interior, of course) that will transform the streetscape character along Glenwood Avenue and Garwood Way, encouraging street level activity and enhancing the pedestrian environment. Because no changes to the building massing or additional parking structures are envisioned, Menlo Park will not have to compromise its village character to get a new hotel.

- ✓ Healthy Living and Sustainability. We believe that our adaptive re-use of the Property, salvaging as much of the existing structure and improvements as possible, is an environmentally responsible approach to the project. Our goal is to adhere to the Plan's recommendation, "utilizing finite resources in a responsible way, creating healthy environments for building inhabitants and minimizing impacts to both natural systems and existing utilities". We believe our proposed hotel responds to the Plan's sustainability strategy: "Reduce parking footprint by limiting the amount of space dedicated to surface parking, providing shared parking facilities and integrating parking within development footprints." By requesting to provide only enough parking to meet the actual demand of the hotel, as opposed to creating un-needed additional surface parking through the demolition of certain, non-critical existing buildings (which would eliminate hotel amenities, like meeting rooms), we not only avoid unnecessary expense and a compromised hotel operation, we are being sustainable. Additionally, the interiors of the hotel will be designed and constructed to the standards of LEED certification.

Unlike what the Plan contemplates the nature of the relationship between the City and a developer proposing a public benefit, the proposed hotel does not attempt to derive any benefit or additional profits for the provision to the City of the above. As proposed, the re-use of the existing facility as a hotel is justifiable on its own merits. The public benefits that would accompany the re-use would come at no cost or expense to the City. They would be a bonus to the successful project.

In addition to the above public benefits, there are several advantages offered by the proposed hotel.

- ✓ Free of Political and Unmitigated Environmental Impacts. The proposed use change does not remove any housing units from the City's existing housing stock or eliminate an "opportunity site" for rezoning for compliance with the City's Regional Housing Needs Allocation, so there is no negative impact to the efforts of the City's Housing Element. Not only this, but the proposed 138 room hotel is accretive to the Plan's expectation of future hotel development and site targeting. Furthermore, the site's proposed hotel use is an analyzed and permitted use pursuant to the Plan and its Environmental Impact Report. There will be no intensification, densification, or footprint increases to the Property. From an environmental impact perspective, the assisted living facility and the proposed hotel are comparable uses and no environmental impacts, including traffic related, would result from the use change.
- ✓ Community Advocacy. The MRI hotel will be an active member of the community. We anticipate the proposed MRI will act as does our Los Altos MRI, which:
 - Participates in various local community programs
 - Donates rooms to local schools for charity purposes (fundraisers)
 - Is a member of the chamber of commerce and is involved in their events and causes
 - Is actively involved in local festivals
 - Conducts in-house drives to give back to the community
 - Advertises in local papers
 - Refers out to and promotes local businesses
- ✓ Developer Track Record. The developer, Sand Hill Property Company is a long-time local developer with deep experience in hotel development and management, having built or in the process of building several hotels and currently owning and operating the Los Altos Marriott Residence Inn, an award-winning hotel for its management and guest satisfaction. Further, the Company has experience working with the City, having recently entitled the 1300 El Camino Real project.

In addition to the above public benefits and advantages, the proposed project successfully neutralizes several constraints of the Plan area as suggested by the City.

- “Railroad Line Limits East-West Connectivity”. The site is immediately bounded by the railroad line, and our MRI will bring the vibrancy associated with 120+ guests per night right up against it. Increased east-west connectivity over the railroad line on Glenwood Avenue is a natural consequence.
- “Funding for Public Improvements”. The proposed hotel will bring with it upwards of \$1,000,000 in unplanned tax revenue on an annual basis. The City should consider directing this revenue to its General Capital Improvement Fund or its forthcoming “public amenity fund” so that it may utilize this TOT windfall toward the implementation of the public improvements included in the Plan.
- “Financing Given the Current Market Situation”. The economy still has not fully recovered from the financial crises of the last few years. According to the Plan, “the current market situation is characterized by constrained credit markets and a broader economic downturn that has impacted the potential for real estate development. While current market conditions, wherein home prices and the volume of sales have both declined, are not conducive to real estate development at this time, the market for real estate tends to be cyclical in nature. It is difficult to predict when the market will improve; however it is unlikely that new projects in the plan area will be constructed and occupied until 2012–2013, at the earliest.” It is true that there are still significant challenges to planning and executing economically viable projects, and the market for hotel construction (or renovation) financing is not a free-flowing one.

However, the unique circumstances of this proposed project make this a realistic opportunity for a successful hotel in the City to be built. A MRI-conducive building on a properly sized parcel, not to mention the availability thereof, is not commonplace, especially in Menlo Park. The minimal amount of hotel development occurring in the region will also give the project a competitive advantage, especially considering no MRIs even exist between the cities of San Mateo and Los Altos. The local market has put this unique hotel use in demand today, appealing to businesses both big and small as well as the residential population, without impairing the likelihood of the 380 additional new hotel rooms (made up of a conference hotel and a boutique hotel) envisioned by the Plan over the next 20 to 30 years. (We believe this not only because our hotel’s location does not conflict with either of the two envisioned hotels, but because our expected guest profile will be 80% business guest and 20% leisure guest, while the Plan based its 380 room vision on an expected breakdown of 60% leisure guests and 40% business guests.) Finally, the economy supports our particular effort: the project as proposed is financeable and we have capital already arranged for the purchase and complete redevelopment of the property. We are proposing to commence construction immediately upon receiving the necessary approvals and believe we can open the hotel within a year of said approvals.

Not only is the proposed hotel consistent with guidelines and standards of the Plan, we believe this project and its inherent public benefit achieves many of its goals, strategies, and purpose.

In October of 2012, the City Council conducted a study session to provide feedback on the proposed project and certain associated aspects (ie, the specific type of hotel; the fact that the existing condition results in a slightly higher FAR than the maximum base density allowed under the Plan; the difference between parking a full service hotel and a business hotel; and the formalization and continuation of the exclusive use of the parking on Garwood Way for the hotel). At this study session the City Council encouraged staff to continue working with us to develop the project but consider the following concepts and concerns:

- Only roughly 4 out of every 5 dollars of room revenue generated by the proposed hotel will be subject to transient occupancy tax;
- In order for the City to discuss the continued use of the parking along Garwood Way, certain performance standards (ie, relative to TOT revenue generated) would need to be established and met;

- In addition to the aforementioned performance standards, the parking on the Garwood public right of way should not be granted for exclusive use to us by permit, rather by a commercial instrument, ie a license agreement;
- Notwithstanding the license agreement, we should make bona fide efforts to relieve the City from housing a portion of the project's parking supply;
- The image of the facility should be significantly improved.

In the intervening months, we have endeavored to address these concepts and concerns. We feel we have structured a mutually agreeable license agreement for the use of the parking along the Garwood right of way in a manner that ensures the City significant revenue for as long as the hotel use is in effect. We have engaged in good faith discussions with neighboring property owners (1300 El Camino Real/Derry, Caltrain, Ducky's, and 585 Glenwood Avenue) and are committed to exploring every opportunity to achieve the mutual interests of the City and the proposed hotel relative to the provided parking. And of course, we have assembled a great team of architects and designers to create a beautiful, hip, and useful hotel of which Menlo Park can be proud. We look forward to bringing it to life.

Please direct all correspondence regarding the enclosed to:

Reed Moulds
Managing Director
Sand Hill Property Company
203 Redwood Shores Parkway, Suite 200
Redwood City, CA 94065
650/344-1500x110



Conley Consulting Group

MEMORANDUM

October 3, 2012

Revised January 18, 2013

To: Sand Hill Property Company
Attn: Reed Moulds

From: Conley Consulting Group
Lauren Pitts
Denise Conley

Subject: Limited Economic Benefit Review – Menlo Park

Conley Consulting Group (“CCG”) is pleased to present this limited economic benefit review of a proposed development of a select-service, business-class hotel in Menlo Park. Sand Hill Property Company (“SHPC”) seeks a preliminary estimate of the Project’s potential fiscal benefits and economic impact. This report was prepared for SHPC’s internal review.

The property is located at 555 Glenwood Avenue (the “Site”) and is presently operated as an age-restricted, independent living facility for seniors. Currently the property is only 21% occupied. SHPC has proposed to renovate the property as a 138-room Marriott Residence Inn (“MRI”) hotel (the “Project”), a nationally recognized extended stay lodging facility with over 650 locations.

For this review, CCG has prepared the following:

1. A summary comparison of the fiscal revenues associated with the proposed MRI and the existing senior facility (See Table 1).
2. An estimate of the additional impact of the proposed MRI on the local economy using input-output analysis (See Table 2).
3. An estimate of the potential reduced transient occupancy tax (“TOT”) revenues from MRI guests who stay over 30 days and thus may not be subject to TOT. (See Table 3).

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Preliminary Economic Benefit Review Memo

I. Summary of Conclusions

CCG’s estimate of the likely new fiscal revenues to the Menlo Park General Fund and jobs generated by the proposed hotel is summarized in Table 1 and described in the memorandum below. For this analysis, CCG based its revenue assumptions on the operating characteristics of the 156 room MRI hotel located at 4460 El Camino Real in Los Altos, CA (the “Los Altos MRI”) also owned and operated by SHPC. Based on the performance of the Los Altos MRI, the gross revenue of the proposed MRI is projected at \$7.2 Million (“M”).¹

A. Fiscal Revenues

The existing Glenwood senior housing facility generates property taxes and business license fees totaling \$24,831 in 2011. Adaptive reuse of the Site as a hotel will generate transient occupancy, sales, property and business tax revenue.

In November 2012 a TOT ballot measure was passed and the City’s TOT rate increased to 12%. At the new rate, the Project will generate \$693,414 in fiscal revenues, a net increase of \$668,582 from the revenues currently generated at Glenwood. See Table 1 below.

TABLE 1: NET INCREASE IN FISCAL REVENUES TO THE CITY OF MENLO PARK FROM PROJECT			
	Glenwood Facility	Proposed MRI	Net Change
Estimated Gross Revenue ²	\$3,800,000	\$7,233,363	
Estimated Room Revenue ³		7,099,839	
Estimated Room Revenue Subject to TOT ⁴		5,466,876	
Tax Revenue Sources:			
TOT		656,025	
Sales		1,013	
Property	23,831	33,876	
Business Tax	<u>1,000</u>	<u>2,500</u>	
Total	\$24,831	\$693,414	+\$668,582

Source: Conley Consulting Group, Marriott, October 2012.

Thus, the Project generates substantially more revenue to the Menlo Park General Fund than does the existing use, primarily due to TOT revenues and increased property taxes.

¹ No market study was preformed for this effort. Thus, an independent projection of the operating results of a MRI is not available.
² Existing Glenwood Inn gross revenue provided by current site management and assumed to be stabilized over 12 months. New Project revenue estimated from the 2011 operating performance of the Los Altos MRI and then adjusted for the smaller size of the Project.
³ Based on 2011 Los Altos MRI operating performance.
⁴ Based on percentage of room revenue subject to taxes per Los Altos MRI in 2011 (77% of estimated room revenue), ie excluding revenue from guests in occupancy for longer than 30 days.

B. Economic Impacts

Based on the projected \$7.2 M gross revenue from operation of the Project, CCG projects that the Project will generate a net increase of 25 additional jobs employed at the Site, plus a net of 12 indirect jobs and 10 induced jobs for a total of 47 net new jobs in the local economy, over and above the existing senior facility in 2011.⁵ Similarly, the Project is projected to impact the local economy with a net addition of \$3.4 M in direct impacts from higher gross income generated by reuse of the site, plus a net increase of \$1.6 M in indirect economic impacts and \$1.7 M in induced economic impacts, for a total net economic impact of \$6.6 M, compared to the site's current use. (See below Table 2 for a summary and Table 7 for detail.)

TABLE 2: JOB AND ECONOMIC IMPACTS				
	Direct	Indirect	Induced	Total
Net Jobs Impact	25	12	10	47
Net Economic Impact	\$3,433,363	\$1,586,170	\$1,563,462	\$6,582,996

Source: Conley Consulting Group, IMPLAN, October 2012.

II. The Project

The Site is approximately 2.3 acres in size. The current and proposed reuse of the site is described below.

A. Current Use – Independent Living Facility

The existing site is operated as the Glenwood Inn, a market rate, age-restricted independent living facility made up of four rectilinear buildings. The Site includes one building that serves as community space and three residential buildings with studio, one- and two-bedroom units. The community space includes a library, auditorium, two dining rooms, social room, meeting room, card room and management offices. Unit interiors include at least one bathroom (two bathrooms for two bedroom units) and a partial "efficiency" kitchen (two plate burners, no oven or ventilation, and a shallow bar sink).

B. Proposed Use – Marriott Residence Inn (MRI)

SHPC has proposed to convert the existing buildings into a Marriott Residence Inn hotel. The property can be converted into an MRI without an increase in the overall size of the buildings. The interiors will be reconfigured and the common areas upgraded to meet MRI design standards and amenity requirements. Services and guest accommodations at the Project will include free hot breakfasts, a 24 hour market, complimentary social events, private meeting rooms, business center, sitting room, breakfast buffet and dining room, and fitness center. In-unit amenities will include private work space and full kitchens. Other guest services will include dry cleaning services, On-Demand movies and grocery delivery services.

⁵ This estimated, which is based on IMPLAN input output model is for countywide indirect and induced jobs and economic impacts. Input output analysis is not generally available at the city level.

II. Methodology

This fiscal and economic benefit review analysis is intended to determine, on a preliminary basis, the economic effects of new development by considering the new taxes generated and jobs created by the adaptive reuse of the existing senior facility into a Marriot Residence Inn. It is intended as an owner's document for internal use. This analysis estimates the Project's sales performance and tax revenue based on the performance of the nearby, similar MRI hotel in Los Altos. It is important to note that this assignment did not include a hotel market study or a projection of the likely operating results of the Project. CCG used 2011 room revenue generated at the Los Altos property to estimate potential TOT revenues, sales tax and business license fees at the Project. Property tax estimates were based on current property tax rolls for the Site. CCG's assignment does not include estimating the fiscal cost of the development.

To understand the economic impact of the hotel use at the Site, CCG used the IMPLAN economic model for San Mateo County to conduct input-output analysis, based on the various sources of revenue projected to be generated at the Site.

III. Projected Revenues

A. Transient Occupancy Tax

The rehabilitation and adaptive reuse of the senior facility as an extended stay hotel will generate transient occupancy tax (TOT) for Menlo Park. TOT is a tax imposed on room revenue, generally limited to short term guests, e.g. hotel guests who stay for 30 days or less.

In fiscal year 2011-12, the City of Menlo Park's TOT revenue collection was approximately \$2.9 M. Based on the operating results of the nearby Los Altos MRI, CCG projects that the Project will generate approximately \$600,000 in annual TOT revenues from short term guests. The Project's projected TOT revenues would increase current citywide TOT revenues by 21%.⁶ TOT tax is projected to be the largest source of tax revenue generated by the Project. The Site's current use as a senior facility does not generate any TOT tax.

A November 2012 ballot measure increased the Menlo Park TOT rate to 12%.⁷ Members of the community had voiced concerns that the TOT increase will negatively impact the viability of Menlo Park hotels as some travelers may choose to stay in other nearby cities to avoid the tax increase. However, since the TOT rate in other nearby cities, including East Palo Alto, Palo Alto and nine other San Mateo County cities, is already 12%, it is possible that the impact of the proposed TOT increase will not be severe. For this preliminary analysis we have assumed that the TOT rate increase has no impact on hotel patronage patterns.

Prior to the November 2012 election, the City of Menlo Park projected that the proposed 2 percentage point tax rate increase will generate \$290,000 in additional TOT revenues by the end of fiscal year 2012-13 and an additional \$580,000 annually in future years to follow. The recent tax rate increase is projected to generate an additional \$120,000 of TOT revenue from the Project annually.

⁶ Based on the Los Altos MRI facility revenues for 2011. See prior note about the absence of a market study for this analysis.

⁷ Measure K is effective 1/1/2013.

B. Potential TOT from Longer Term Guest Stays

Room revenues from hotel guests who stay beyond 30 days are not subject to TOT.⁸ Based on the proportion of longer term guest stays at the nearby Los Altos MRI, CCG estimates that 23% of room revenue for the Project would be from longer term guests who stayed more than 30 days and thus are not subject to TOT tax. We also note that at the Los Altos MRI 17% of those longer term guests were from the corporate demand segment i.e., guests who were likely working on long term projects at firms in nearby Menlo Park or Silicon Valley locations.

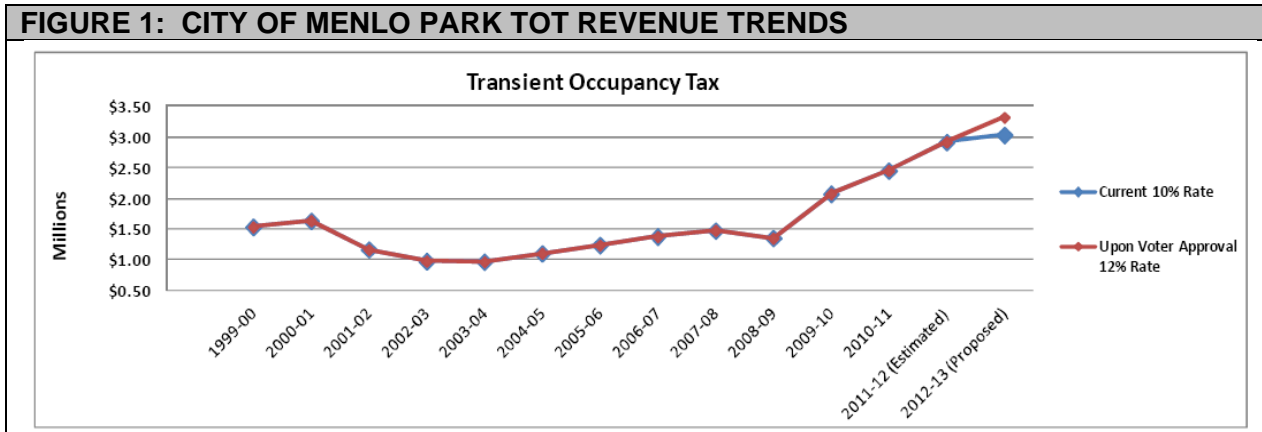
Thus, we project that at the current TOT rate, the impact of longer term guest stays at the Project will be \$195,956 (see Table 3 below).

TABLE 3: POTENTIAL TOT IMPACT OF GUESTS STAYS OVER 30+ DAYS			
	2011 Revenue		Difference in TOT Revenue
	All Guests	Less Guests 30+ days	
Total Room Revenue	\$7,099,839	5,466,876	\$1,632,963
Total Potential TOT Tax @ 12%	\$851,981	\$656,025	\$195,956

Source: Conley Consulting Group, Marriott, Sand Hill Property Company, October 2012.

We also note that TOT is one of the few General Fund revenue sources that have steadily increased over the past 10 years. In fact, there have been significant TOT revenues gains in the four years following the start of the Recession of 2008. See Figure 1 below.

FIGURE 1: CITY OF MENLO PARK TOT REVENUE TRENDS



Source: Conley Consulting Group, City of Menlo Park, October 2012.

⁸ However, guests who stay longer than 30 days, but who check out before 30 days and check back in are subject to TOT revenues.

Sales Tax

The Project will generate a small amount of sales tax from activities such as food and beverages purchased at a small convenience market. Additional sales tax revenue will be generated by MRI revenues for catered meetings, dry cleaning, grocery services and movie rentals. Due to the limited service nature of the facility, we project that only 1.4% of the facility's total revenue will generate sales tax.⁹ The City receives just under 1% out of the total 8.25% San Mateo sales tax rate. Based on 2011 revenues from the MRI in Los Altos, CCG has estimated potential sales tax at the Project. The current Glenwood facility does not generate any sales tax revenue. See Table 4 below.

TABLE 4: ESTIMATED SALES TAX REVENUE			
	Total Revenue	Estimated Sales Tax	City Share
Food & Beverage ¹⁰	\$82,749	\$6,827	\$827
Movie Rentals	15,132	1,248	151
Dry Cleaning	12,884	1,063	129
Total	\$110,764	\$9,138	\$1,108

Source: Conley Consulting Group, Sand Hill Property Company, Marriott, October 2012.

During the construction period, it is possible that sales tax will be generated by local purchases of construction materials. However, this amount is likely to be small, and an estimate of the fiscal impact from construction is beyond the scope of this assignment.

Property Tax

Table 6 shows the increased tax assessment due to the proposed change in the use of the Site from a senior care facility to a hotel. The assumptions used to calculate the tax impact are as follows:

- Per SHPC staff, property improvements and construction costs associated with the Project would increase the assessed value (AV) of the Site (including personal property) by \$10,000,000.
- SHPC's purchase price for the Site would be at least equal to the existing AV.
- Special charges are generally assessed on a per parcel basis, and are therefore not impacted by changed AV.

⁹ Per data from SHPC, operators of the Los Altos MRI.

¹⁰ Food and beverage includes both sales at the market and for meeting room catering.

TABLE 5: PROPERTY TAX AND SPECIAL CHARGES RATES	
General Tax Revenue	1.0000%
Menlo Park Park + Recreation Bond	0.0156%
Menlo Park Elementary School 2005 Refunding Series	0.0402%
Sequoia High School Refund Series 2003 A	0.0356%
San Mateo Junior College Bond Series 2005 B	0.0194%
General Tax Total	1.1108%
Menlo Park/San Mateo County Special Charges	
SMC Mosquito Abatement District	3.74
Menlo Park ESD Measures	790.04
Fed CA & NPDES Storm Fee	58.44
Menlo Park Storm Drainage Fee	392.78
Menlo Park Tree Maintenance	88.96
San Mateo County Community College District 2010-2013	34.00
West Bay Sanitary District	29,697.80

Source: Conley Consulting Group, County of San Mateo Tax Collector/Treasurer, Secured Property Tax Assessment, October 2012.

With the increase improvements to the property, the property tax for the Site would increase by \$111,080 for a total annual (based on 2012 tax rates and charges) of \$405,692. Of this amount \$33,876 will accrue to the City of Menlo Park General Fund.¹¹

TABLE 6: SHARE OF PROPERTY TAX TO MENLO PARK GENERAL FUND		
	Existing Development	Proposed Hotel Development
Assessed Value (AV):		
Improvements+Personal Property	18,357,481	18,357,481 ¹²
Proposed Improvements to Property		10,000,000 ¹³
Land	5,368,296	5,368,296
Total Assessed Value	\$ 23,725,777	\$ 33,725,777
General Tax Revenue	1.0000%	
	237,258	337,258
Share to the City	10.045%	
	23,831	33,876 ¹⁴

Source: Conley Consulting Group, County of San Mateo Tax Collector/Treasurer, Secured Property Tax Assessment, October 2012.

¹¹ Assumes buyer is purchasing the property at the current assessed value. If the purchase price is higher, the property tax revenue would increase proportionally.

¹² As stated previously per SHPC, the current AV is assumed to be equal to the acquisition of the property. CCG has not independently tested this assumption, the combined AV, as a cost basis estimate

¹³ SHPC provided an estimate of \$10,000,000 for the assessed value of construction to upgrade the existing property to a MRI hotel.

¹⁴ The property tax estimated to the City of Menlo Park General Fund is based on 12.24943964% of the tax rate in tax area 08-004, ERAF equal to 18% is deducted from the City's share, with a remaining tax rate of 10.04454% to Menlo Park.

TABLE 7: ESTIMATED PROPERTY TAX			
		Property Tax Estimate	
		Existing Development	Proposed Hotel Development
Assessed Value:			
Improvements & Personal Property		18,357,481	18,357,481 ¹⁵
Proposed Improvements to Property		0	10,000,000 ¹⁶
Land		5,368,296	5,368,296
Total Assessed Value		\$ 23,725,777	\$ 33,725,777
General Tax Revenue	1.0000%	237,257.77	337,257.77
Menlo Park Park + Recreation Bond	0.0156%	3,701.22	5,261.22
Menlo Park Elementary School 2005 Refunding Series	0.0402%	9,537.76	13,557.76
Sequoia High School Refund Series 2003 A	0.0356%	8,446.38	12,006.38
San Mateo Junior College Bond Series 2005 B	0.0194%	4,602.80	6,542.80
General Tax Total	1.1108%	\$ 263,546	\$ 374,626
Menlo Park/San Mateo County Special Charges			
SMC Mosquito Abatement District		3.74	3.74
Menlo Park ESD Measures		790.04	790.04
Fed CA & NPDES Storm Fee		58.44	58.44
Menlo Park Storm Drainage Fee		392.78	392.78
Menlo Park Tree Maintenance		88.96	88.96
San Mateo County Community College District 2010-2013		34.00	34.00
West Bay Sanitary District		29,697.80	29,697.80
Total Special Charges		\$ 31,066	\$ 31,066
SUMMARY			Difference
General Tax		263,545.93	374,625.93
Total Special Charges		31,065.76	31,065.76
Total Taxes		\$ 294,612	\$ 405,692
			\$ 111,080

Source: Conley Consulting Group, County of San Mateo Tax Collector/Treasurer, Secured Property Tax Assessment, October 2012.

Business License Fee

In Menlo Park I business License Fees are assessed annually on annual gross receipts. The projected gross receipts at the Project will generate \$2,500 in business license fees to the City. The business license fee is assessed at \$750 for businesses that generate between \$1 M and \$2 M in gross revenue, plus an additional \$250 for each additional million in gross

¹⁵ Assumes buyer is purchasing the property at the current assessed value. If the purchase price is higher the property tax revenue would increase proportionally.

¹⁶ SHPC provided an estimate of \$10,000,000 in proposed SHPC improvements to the property for the assessed value of construction to upgrade the existing property to a MRI hotel.

revenue. In 2011, the current Glenwood facility paid a business license fee of \$1,000 to the City.¹⁷

IV. Economic Impact

Input-output analysis is a method to measure the likely impact of a new economic activity on the local economy defined on a countywide basis. Input-output analysis uses a macroeconomic model of the economy to measure, on a county level, the interrelationship between activity, including both gross income and jobs, in one sector to other sectors in the economy.

For this analysis, revenues and jobs at the Project are the **direct** economic impacts. In addition to these direct impacts, the businesses who supply goods and services (such as linen and food services) to the Project will experience an **indirect** economic impact from the Project. In turn, the suppliers of those sectors indirectly impacted by the Project will experience **induced** impacts. For example, the additional spending at the Project will result in additional purchases of materials, supplies, and services from other firms that will in turn support subsequent purchases by those businesses from other businesses, and so on.

CCG uses the IMPLAN model of the economy to determine the economic impact of a given business activity on other sectors of the economy. IMPLAN provides multipliers derived from input output analysis. IMPLAN is an economic input-output model originally developed by U. S. Department of Agriculture, Office of Emergency Services and the University of Minnesota, Department of Agricultural and Applied Economics. The current economic impact model is produced solely by MIG, Inc.

CCG used the gross revenue (direct impact) of the Glenwood senior living facility to estimate indirect and induced impacts. According to Staff at Glenwood in 2011 there were 23 full time direct jobs at the Site. Based on the employment multiplier for that activity the current facility added 2 indirect jobs and 3 induced jobs for a total of 28 jobs. The senior facility on the site generates \$3.8 M in direct revenue. The estimated indirect impact of that economic activity is \$369,637 with an additional \$414,740 in induced impacts, for a total of \$4.6 M in economic impacts.

Currently there are 48 direct jobs at the Los Altos MRI. According to staff the number of employees will be similar at the proposed Project as well. Based on 2011 revenue assumptions and employment from the proposed Menlo Park MRI, CCG has estimated the addition of a MRI hotel would likely create approximately 14 indirect jobs and 13 induced jobs for a total of approximately 75 gross new jobs in Menlo Park and San Mateo County. In addition to the direct revenue generated at the Site, a new hotel with more than \$8 M in annual revenue at the subject site would generate \$1.96 M in indirect impacts and another \$1.98 M in induced impacts. Thus, the total new economic impact of the proposed MRI would be \$11.2 M including direct sales activity at the Site as well as revenue generated by industries that supply goods and services used by the MRI and the hotel guests.

¹⁷ Conversations with Glenwood staff indicated that they initially submitted a business license fee payment of \$1,250, but City of Menlo Park officials returned payment and suggested a lower fee of \$1,000. Glenwood staff did not have an explanation for the change.

Thus, the reuse of the Site as a MRI hotel will result in a net increase of 25 direct jobs, 12 indirect jobs and 10 induced jobs for a total of 47 net new jobs in San Mateo County compared to the existing use of the Site as a senior facility. Similarly, the Project is projected to generate net increase of \$3.4 M in direct economic activity, \$1.6 M in indirect impacts and \$1.7 M in induced impacts for a net total of \$6.6 M of economic activity added to the local economy. See Table 8 below.

TABLE 8: JOBS AND ECONOMIC IMPACTS IN SAN MATEO COUNTY					
Description	Total Revenue	Direct Impacts	Indirect Impacts	Induced Impacts	Total Impacts
<i>Glenwood Facility (Current Use)</i>					
Jobs Impacts	\$3,800,000	23	2	3	28
Economic Impacts	\$3,800,000	\$3,800,000	\$369,637	\$414,740	\$4,584,377
<i>Marriott Residence Inn (the Project)</i>					
Jobs Impacts	\$7,233,363	48	14	13	75
Economic Impacts	\$7,233,363	\$7,233,363	\$1,955,807	\$1,978,202	\$11,167,373
<i>Total Net Impacts</i>					
Net Jobs Impact		25	12	10	47
Net Economic Impact		\$3,433,363	\$1,586,170	\$1,563,462	\$6,582,996

Source: Conley Consulting Group, IMPLAN, October 2012.

V. Caveats & Limitations

CCG has made extensive efforts to confirm the accuracy and timeliness of the information contained in this document. Such information was compiled from a variety of sources deemed to be reliable, including the proposed developer, state and local government, planning agencies, hotel operators, MIG, Inc., and other third parties. Although CCG believes the information in this document to be correct, it does not guarantee data accuracy and assumes no responsibility for inaccuracies in the information provided by third parties.

CCG has not conducted a formal market study to verify the performance of the proposed property. We note the nearby operation of a MRI in Los Altos, which is marketed as a Palo Alto hotel. Further, in the absence of a market study we have assumed the operation of the Project will not impact the operation of other lodging facilities in Menlo Park.

The analysis assumes that the national economy will continue to experience a slow, but shallow recovery from the Great Recession conditions which started in 2008. We note that the San Mateo County and nearby Silicon Valley is currently undergoing an economic expansion at a greater rate than the rest of California and the nation. If an unforeseen change occurs in the economy, the conclusions contained herein, particularly regarding hotel occupancy, may no longer be valid.

This limited analysis is designed to inform the project proposers of the likely economic benefit of the proposed project. It is intended as an owners document. Furthermore, the document explicitly does not include analysis of the fiscal costs associated with the development.

Memorandum

To: Thomas Rogers, City of Menlo Park

From: Ron Golem; Raymond Kennedy, BAE

Date: February 19, 2013

Re: Limited Market Analysis and Peer Review of Conley Consulting Group Memorandum
Regarding Proposed Hotel Project in Menlo Park

This memorandum presents BAE's findings from a peer review of the *Limited Economic Benefit Review* ("the CCG Memo") prepared by Conley Consulting Group (CCG) for Sand Hill Property Company (SHPC) for its proposed hotel project in Menlo Park. The CCG Memo consists of two major components: (1) a comparison of fiscal revenues (Transient Occupancy Tax or TOT; sales tax, property tax; and business license fee) from the proposed hotel compared to the current use; and (2) an estimate of job and economic impacts resulting from the project. The most recent version of the CCG Memo is dated January 18, 2013.

The purpose of this peer review is to evaluate the methodologies and data sources used for the study, assess the appropriateness and accuracy of its calculations, and provide an opinion as to the accuracy and comprehensiveness of the study and identify any items that should be addressed prior to the City's consideration of the study's findings. Because the proposed TOT revenues are the largest fiscal revenue source, but subject to variation based on market conditions, BAE also conducted a limited market assessment to verify assumptions made in the CCG Memo. This limited assessment includes an evaluation of the local market for lodging properties in the same segment as the proposed Residence Inn by Marriott, based on data purchased from Smith Travel Research (STR), the leading provider of data on hotel industry operations, and a review of planned and proposed projects. This information is used to evaluate the results of alternative room rate, occupancy, and TOT assumptions.

Project Description

SHPC proposes to convert an existing assisted-living facility at 555 Glenwood Avenue in Menlo Park into a Residence Inn by Marriott hotel. Residence Inn is an extended stay hotel chain, providing more amenities, such as kitchens and larger spaces including separate bedrooms, than a conventional hotel. Unlike a traditional, full-service hotel, extended stay hotels do not contain on-site restaurants or lounges, and generally have more limited meeting space. The target market for extended stay hotels includes business travelers with long-term assignments in an area, families in transition seeking temporary housing, and other guests seeking a more "home-like" environment.

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

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

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

Washington DC
1436 U Street NW
Suite 403
Washington, DC 20009
202.588.8945

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

The proposed hotel would have 138 rooms/suites, and would not change the existing 113,803 square-foot building footprint, relying instead on substantial remodeling and rehabilitation for the conversion to hotel use.

Approach to the Review

The peer review involves the following steps: (1) review of the CCG Memo and other background documents, including the staff report for the Council study session of October 30, 2012; (2) a telephone interview with Conley Consulting Group regarding its methodology and approach and findings; (3) mathematical analysis of the key assumptions and findings in the CCG Memo; and (4) a limited market analysis to provide another perspective on the reasonableness of the assumptions in the CCG Memo.

The review we conducted is based on our experience in doing fiscal impact and market analysis for numerous communities throughout California, as well as our experience in evaluating lodging property feasible in a number of US jurisdictions. We are familiar with the City of Menlo Park in particular due to our previous and ongoing work preparing fiscal impact analysis for various projects in the City.

Summary of Findings

Market Analysis

Residence Inn is one of the multiple brands under the umbrella of Marriott International, Inc. Residence Inn is classified by STR as an upscale chain hotel. In San Mateo and Santa Clara County, Residence Inn has more extended stay hotels and rooms than any other upscale chain, accounting for 8 of the 19 properties and 1,186 of the 2,704 rooms/suites in this segment.

The upscale chain extended stay hotel type is a market niche that is currently unfilled in Menlo Park. The extended stay upscale chain property closest to Menlo Park is the Residence Inn several miles away in Los Altos, owned by SHPC and used as the performance benchmark by CCG for the proposed project. SHPC brands this property as the Residence Inn Palo Alto/Los Altos in order to leverage the attraction of Palo Alto proximity. To the north, the closest comparable property is the Hyatt House in Belmont. Since the Los Altos Residence Inn is the closest similar hotel, the CCG Memo's use of the Los Altos Residence Inn for benchmarking the performance of a similar facility in Menlo Park is appropriate.

STR data shows that the annual average occupancy for a sample of upscale extended stay hotels in San Mateo and Santa Clara Counties declined from a peak of 81.8 percent in 2007 to 73.5 percent in 2009, with a substantial recovery to 83.7 percent in 2010, with average occupancy levels above 80 percent in 2011 and 2012. Occupancy rates for upscale chain extended stay hotels have consistently exceeded those for the overall upscale chain market segment (including full-service hotels) in the area. By 2010, annual room demand for upscale chain extended stay hotels exceeded demand in 2007, reaching approximately 546,000 room-nights. By 2012, annual room demand for this group of hotels climbed to about 585,000 rooms, showing that regional demand in this market segment continues to grow. Revenue trends also showed a decline related to the recession, but by 2012 revenues had surpassed pre-recession levels. In 2012, the average daily rate (ADR) for the upscale chain

extended stay segment averaged \$150 per night, a 10 percent increase over 2011, and RevPAR (daily revenue per available room¹) averaged \$123, a 12 percent increase over 2011. As context, STR reports that for all hotels tracked nationally, occupancy in 2012 averaged 61.4 percent, so the local extended stay market appears to be strong.

Within San Mateo and Santa Clara County, the highest room rates for upscale chain extended stay hotels were found at the Los Altos Residence Inn, which as noted previously is the hotel in this market segment in closest proximity to Menlo Park. The next highest rates were at the Residence Inn in Mountain View. These rates are a strong indicator that within the larger San Mateo / Santa Clara County market, Menlo Park and nearby communities to the south are a strong submarket for hotels, due to the resurgent high tech sector in the area, as exemplified by growth by Apple, Facebook, Google, and other companies along with new start-ups. The strong local hotel performance is also indicated by data for the Los Altos Residence Inn as reported by SHPC; in 2011 that Residence Inn reported average occupancy of 82.8 percent and an average daily rate of \$171.31, for a RevPAR of \$140.59, higher than the occupancy, average daily rate and RevPAR figures reported by STR for area upscale chain extended stay hotels as discussed above.

An additional survey by BAE of Menlo Park and surrounding communities found limited additional competitive hotel supply in the pipeline. The only project currently under consideration is a 230-room full-service Renaissance ClubSport hotel as part of the Menlo Gateway project in Menlo Park. Although the project has received all discretionary approvals, City staff report that the developer is having difficulty obtaining financing for this hotel, so the schedule for development is uncertain. City staff noted three smaller independent hotels in Menlo Park that were currently undergoing or proposing upgrades. These three hotels (the Menlo Park Inn, the Red Cottage Inn, and the Mermaid Inn) total approximately 100 rooms. The Mermaid Inn is currently in discussion with the City regarding a possible increase in their room count, but the other hotels are not adding rooms. Based on BAE interviews with property owners of these three hotels, only the Red Cottage Inn targets extended stay customers.

This limited market analysis indicates that the market for upscale extended stay hotels in the area of Menlo Park has rebounded from 2009 recession levels, with occupancies, room rates, and demand exceeding levels found prior to the recession. The highest room rates are focused in the core area of Silicon Valley near Menlo Park. Looking at the geographic distribution of this hotel type in the area shows a “gap” in the Menlo Park area, indicating strong potential demand for the proposed hotel project at 555 Glenwood Avenue.

CCG Memo Peer Review

The CCG Memo consists of two major components: 1) a comparison of fiscal revenues from the proposed hotel and the current use; and 2) an estimate of job and economic impacts resulting from the project. CCG used data provided by the developer from the Los Altos Residence Inn to generate its fiscal revenue estimated for the proposed project.

Transient Occupancy Tax

Transient occupancy tax (TOT) is by far the proposed project’s largest estimated generator of revenues for the City of Menlo Park. Following approval of a voter-approved increase in the tax in November 2012, the City’s TOT rate is now 12 percent of room revenues for guests staying

¹ RevPAR is calculated as ADR x occupancy rate = RevPAR.

30 days or less. The CCG Memo estimates TOT revenues to the City of \$656,025 annually. The estimate is based on RevPAR from the Los Altos Residence Inn times the number of rooms in Menlo Park, on the assumption that the two hotels would have similar performance. CCG makes an adjustment for stays of more than 30 days, for which local jurisdictions do not collect TOT revenues. This 23 percent adjustment downward in TOT due to stays of thirty or more days (based on the experience of the Los Altos facility) seems to be of an appropriate order of magnitude, given that the reported national rate for stays of five days or more at Residence Inn was 43.8 percent. BAE's market analysis indicates that this area commands higher room rates than the larger region, and the Menlo Park facility will also serve an area overlapping the area including Palo Alto served by the Los Altos Residence Inn (that hotel is referred to as the "Residence Inn Palo Alto Los Altos").

Based on the STR trends data, overall long-term demand continues to increase, so even with any additions to the hotel room inventory, the market in the near-term may be able to sustain higher occupancy levels and room rates. However, it is also possible that the TOT revenues as estimated by the CCG Memo could be overstated, especially over the long-term. Absent a full market study, it is not possible to definitively estimate whether the new Menlo Park Residence Inn would perform at the same level as the SHPC Los Altos Residence Inn, or whether the new facility might impact revenues at other hotels in the City and thereby create off-setting reductions in TOT revenues to the City. Occupancy levels and room rates today are at peak levels relative to the last several years, and the well understood boom-and-bust nature of the Silicon Valley economy means that over the long term ADR and occupancy rates will vary, leading to changes in TOT receipts. Finally, there may be other new proposed lodging projects proposed based on the currently strong market conditions, which could further impact the performance of existing hotels. Thus, even if the new hotel achieves the levels of TOT assumed by the CCG Memo, there is some risk that TOT revenue generation would be somewhat lower, particularly during future economic downturns.

Alternative TOT Calculation

BAE has generated a somewhat more conservative estimate of TOT to the City of Menlo Park. This estimate takes into account longer-term regional trends in occupancy and room rates from 2006 through 2012, adjusting for the higher room rates as indicated by revenues at the Los Altos Residence Inn, as described in the expanded section of this memo on the limited hotel market analysis. Based on these adjustments, the proposed hotel would approximately \$615,000 in annual TOT revenues to the City of Menlo Park. The approximately six percent reduction in projected annual TOT revenues that this figure represents even after accounting for the recent market cycle should be considered within the same order of magnitude as the TOT estimate in the CCG Memo. It reinforces the potential for the project to develop significant new fiscal revenues for the City.

Sales Tax

Sales tax is estimated by CCG based on revenue numbers from the Los Altos facility provided by the developer and adjusted for the size of the proposed project. The CCG Memo states that the existing facility generates no sales tax directly. The estimated taxable sales from the new hotel would total approximately \$111,000 annually.

Because Menlo Park receives a small share of sales tax (slightly less than one percent of the amount of sale), the tax revenue to Menlo Park is estimated by CCG at only about \$1,100 annually. SHPC provided a slightly lower estimate of sales tax generation to BAE than was

used in the CCG Memo, for a total of \$8,607 in total sales tax paid for food & beverage and dry cleaning, with no sales tax generated by movie rentals as assumed by CCG. As a result, the sales tax generation may be slightly overstated, but the change in revenues relative to overall fiscal revenues would be minimal. In part because the facility does not include a restaurant or bar, the total taxable sales revenues are very small relative to TOT. Even if the proposed project generated no taxable sales, the impacts on fiscal revenue for the City of Menlo Park would be minimal.

Property Tax

The CCG Memo estimates property tax generation based on a value arrived at by combining two components: the current assessed value and a developer-provided estimate of value added via the conversion to hotel use. The current total assessed value of the property is \$23,725,777. SHPC has estimated that the improvements to the property will add an additional \$10,000,000 to the assessed value, for a total assessed value of approximately \$34,000,000. SHPC has not yet purchased the property, considers information on the terms of its potential purchase to be confidential, and did not provide this information to CCG or BAE.

Given that the property has not been significantly modified or changed ownership in recent years, using assessed value to estimate the sales price appears to be a conservative assumption. Further detail on the value added through renovations and improvements was not available. One point of comparison would be recent hotel sales in the area, but limited research yielded few recent hotel sales in the area. The *San Francisco Business Times* reported in December 2012 that in San Francisco several large hotel property purchases were for more than \$230,000 per room. Applying this figure to this proposed project would indicate a value of \$31.7 million, within the same order of magnitude as estimated in the CCG Memo.

In any case, CCG estimates Menlo Park's share of the property tax increment amounts to only approximately \$10,000 annually. While greater than the sales tax generation, compared to the revenues generated by the TOT, this amount is small, and any variation in assessed value from the CCG Memo's estimate will likely not significantly affect overall tax revenue generation to the City.

Business License Fee

The CCG Memo estimates that the City's Business License fee will be \$2,500, based on annual revenue of \$7.2 million. BAE's calculation generated an estimated of \$2,250 annually. As with the property taxes, however, the revenue generated by this item is extremely small relative to the TOT, and the difference between the CCG and BAE numbers is minimal.

Economic Impact

The CCG Memo presents an estimate of increased jobs and economic activity due the conversion of the facility to an extended stay hotel. This estimate is generated using the IMPLAN input-output model, which estimates the flow of dollars as they circulate through the local economy and generate additional jobs and expenditures. IMPLAN is a standard tool for this purpose, and CCG's use is appropriate in this context. BAE has verified CCG's findings. It should be noted, as it is in the CCG Memo, that the direct jobs at the facility are in Menlo Park, but that the "local area" where the expenditures and other jobs are generated is the entirety of San Mateo County due to the limitations of what the IMPLAN model can calculate.

Summary of Peer Review

BAE finds that the methodology used by CCG in estimating fiscal revenues to Menlo Park and economic impacts in the County from the proposed project is generally appropriate. However, the CCG TOT estimate is based on current strong market conditions. Over the long term, annual TOT generation may average somewhat lower than estimated by CCG due to the cyclical nature of the Silicon Valley economy, as well as potential future competing properties.

CCG's estimate of property taxes is constrained by limited information on the current value of the property and the cost to convert and upgrade the existing facility to an extended stay hotel, but appears to be of the correct order of magnitude; in any case, property tax revenue to the City is small compared to the TOT revenue. Sales tax and business license fees would be a very small source of revenue from the proposed project, and any differences between CCG's calculations and BAE's are insignificant.

Limited Hotel Market Assessment

The purpose of this section is to provide an additional overview of the hotel market in Menlo Park and surrounding communities, particularly with respect to the upscale chain extended stay segment. The CCG Memo explicitly does not include any independent market assessment, relying instead on the performance of another similar SHPC property in Los Altos to estimate the likely revenues for the proposed project; the limited market assessment provides insight into whether the proposed project will generate TOT and other revenues at the levels assumed by the CCG Memo.

The analysis draws on performance and inventory data from area hotels provided by Smith Travel Research (STR) to compare the performance of upscale chain extended stay hotels (such as Residence Inn) in the region relative to all upscale chain hotels in general. In addition, Menlo Park and surrounding jurisdictions have been contacted to determine whether there are other planned and proposed hotels in the area that might compete with the proposed project.

Profile of Residence Inn

Residence Inn is one of the multiple brands under the umbrella of Marriott International, Inc. Other Marriott brands within the company include Marriott Hotels & Resorts, Courtyard, Renaissance Hotels, Fairfield Inn & Suites, and many others.

Residence Inn targets "upscale frequent business travelers" and "extended stay business travelers" seeking a hotel with amenities such as a 24-hour market, exercise rooms, larger suites, free hot breakfasts, and free grocery delivery.²

At year-end 2011, there were 614 Residence Inn in the U.S. and Canada, totaling 74,526 rooms. For 2011, average occupancy across the U.S. and Canada properties was 76.7 percent with an ADR of \$115.41, for a RevPAR of \$88.47.³ By comparison, 2010 average occupancy was 75.3 percent with an ADR of \$112.06 and a RevPAR of \$84.41,³ indicating a

² <http://www.marriott.com/hotel-development/Residence-Inn.mi>

³ Marriott International, Inc. 2011 Annual Report.

modest improvement in market conditions from 2010 to 2011. For 2011, extended stay occupancy was reported at 43.8 percent.⁴

Existing Supply & Performance

Residence Inn by Marriott is classified by STR as an upscale chain hotel. However, not all upscale chain hotels are extended stay facilities comparable to the proposed project. Table 1 below provides a listing of extended stay upscale chain hotels located in San Mateo and Santa Clara Counties. Residence Inn has more hotels and rooms in the area in this category than any other chain, accounting for eight of the 19 properties and 1,186 of the 2,704 rooms/suites. The STR inventory counts 8,347 rooms currently available in the upscale chain category overall in the two counties.

This list shows a lack of extended stay upscale chain hotels in Menlo Park and surrounding cities (see Figure 1 on the next page). The closest property is the Residence Inn several miles away in Los Altos owned by SHPC and used as the performance benchmark by the CCG Memo for the proposed project. To the north, the closest comparable property is the Hyatt House in Belmont. This finding indicates (1) that the Los Altos Residence Inn may be the best facility to use for benchmarking the performance of a similar facility in Menlo Park and (2) a potential market niche that is currently unfilled in Menlo Park.

Table 1: Upscale Chain Extended Stay Hotels in San Mateo and Santa Clara Counties

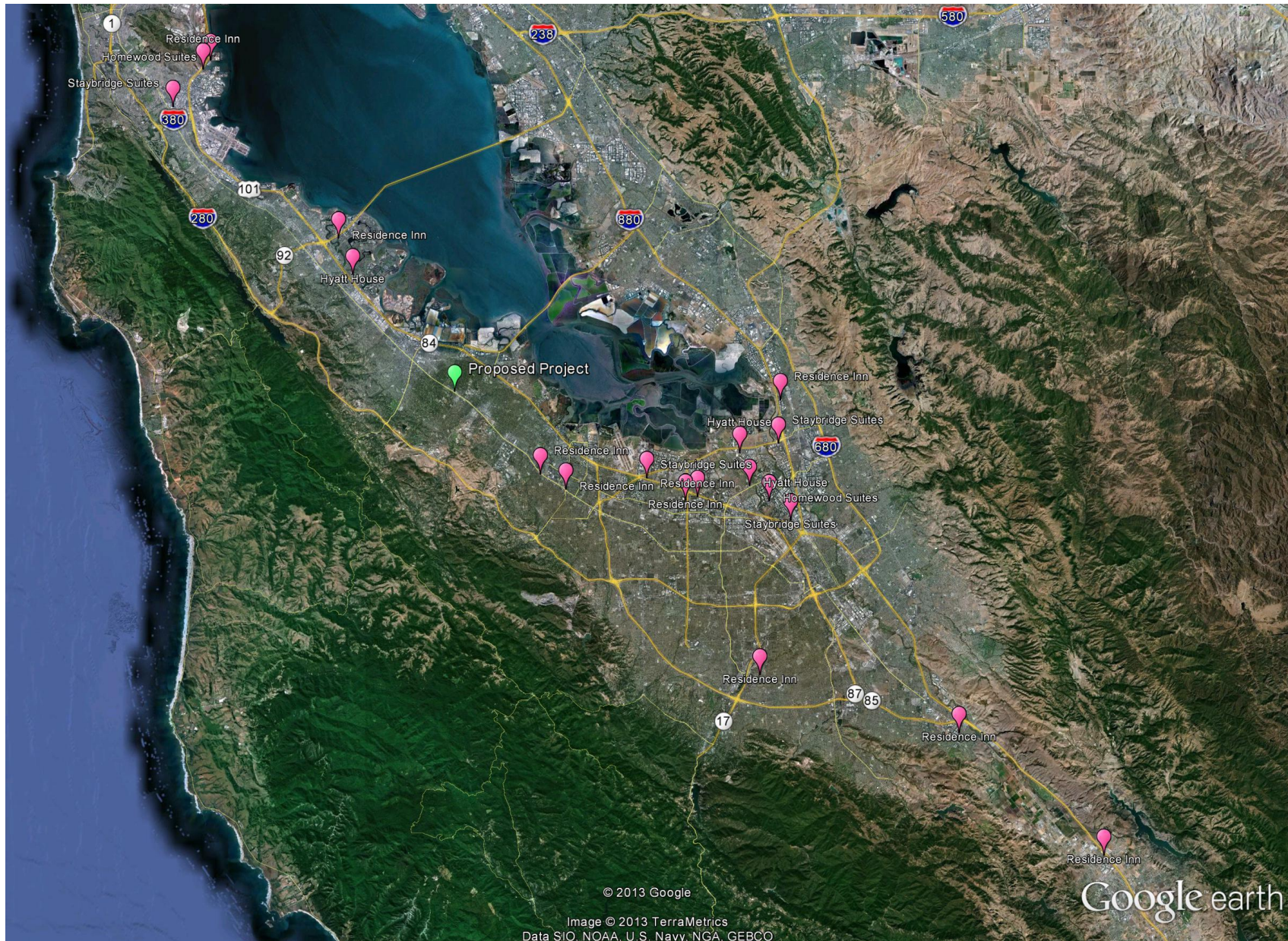
<u>Name</u>	<u>City</u>	<u>County</u>	<u>Rooms</u>
Homewood Suites San Francisco Airport North	Brisbane	San Mateo	177
Hyatt House Belmont Redwood Shores	Belmont	San Mateo	132
Residence Inn San Francisco Airport Oyster Point Waterfront	South San Francisco	San Mateo	152
Residence Inn San Francisco Arprt San Mateo	San Mateo	San Mateo	160
Staybridge Suites San Francisco Airport	San Bruno	San Mateo	92
Homewood Suites San Jose Airport	San Jose	Santa Clara	140
Hyatt House San Jose Silicon Valley	San Jose	Santa Clara	164
Hyatt House Santa Clara	Santa Clara	Santa Clara	150
Residence Inn Milpitas Silicon Valley	Milpitas	Santa Clara	120
Residence Inn Palo Alto Los Altos	Los Altos	Santa Clara	156
Residence Inn Palo Alto Mountain View	Mountain View	Santa Clara	112
Residence Inn San Jose Campbell	Campbell	Santa Clara	80
Residence Inn San Jose South	San Jose	Santa Clara	150
Residence Inn San Jose South Morgan Hill	Morgan Hill	Santa Clara	90
Residence Inn Sunnyvale Silicon Valley I	Sunnyvale	Santa Clara	231
Residence Inn Sunnyvale Silicon Valley II	Sunnyvale	Santa Clara	247
Staybridge Suites Hotel Silicon Valley Milpitas	Milpitas	Santa Clara	99
Staybridge Suites San Jose	San Jose	Santa Clara	114
Staybridge Suites Sunnyvale	Sunnyvale	Santa Clara	138

Note: Includes hotels reporting in STR database

Source: <http://www.biz-stay.com>; STR, 2013.

⁴ Defined as the total extended-stay rooms (defined as any stay of five or more consecutive nights) divided by total available rooms. Note that US figures will be considerably lower than typical of the higher cost Bay Area. *Residence Inn Financial Performance Representations* is available at: http://www.marriott.com/Multimedia/PDF/Hotel_Development/ResidenceFDD.pdf

Figure 1: Upscale Chain Extended Stay Hotels in San Mateo and Santa Clara Counties



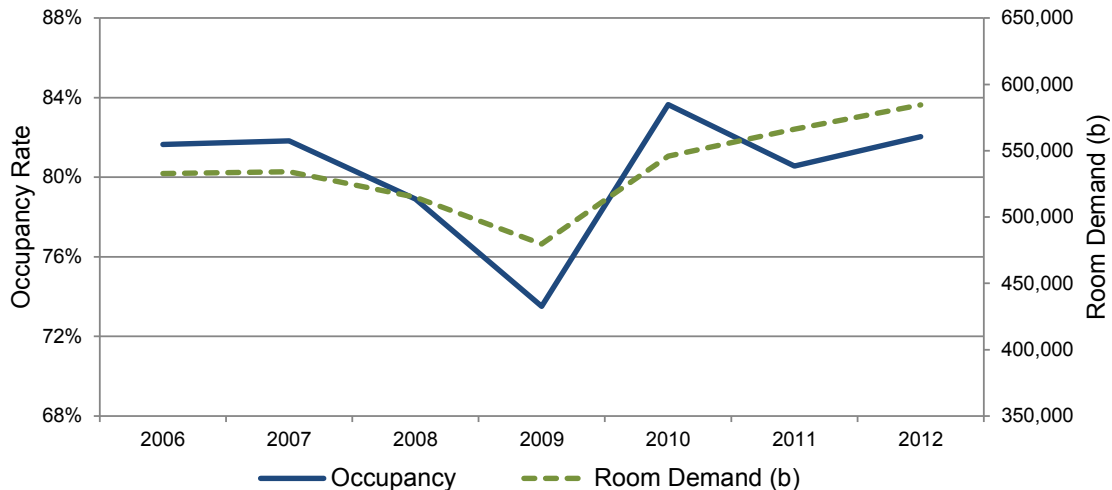
Performance Trends

STR data also provide a comparison between the performance of the area’s upscale chain extended stay hotels and the performance of upscale chain hotels overall, showing occupancy and revenue trends over the last several years. The inventory of upscale chain extended stay hotels used for the performance analysis includes only 13 of the hotels in Table 1; the hotels farthest away from Menlo Park were excluded (e.g., Morgan Hill, South San Jose), and due to STR disclosure rules limiting the number of rooms from one chain, it was necessary to create a sample that also excluded the Residence Inn in South San Francisco, San Mateo City, and Milpitas.⁵

As shown in Figure 2, annual average occupancy for the upscale extended stay hotels declined from a peak of 81.8 percent in 2007 to 73.5 percent in 2009, with a substantial recovery to 83.7 percent in 2010, with occupancy levels staying above 80 percent in 2011 and 2012. Occupancy rates for the upscale extended stay hotels have consistently exceeded those for the overall upscale chain market segment. As context, STR reports that for all hotels tracked nationally, occupancy in 2012 averaged 61.4 percent,⁶ so the local extended stay market appears to be strong.

Also by 2010, annual room demand for the upscale extended stay hotels exceeded demand in 2007, reaching approximately 546,000 room-nights. By 2012, annual room demand for this group of hotels climbed to about 585,000 rooms, showing that demand in this market segment continues to grow.

Figure 2: Occupancy Rates & Room Demand, Upscale Extended Stay Hotels, 2006-2012 (a)



(a) Based on a sample of 13 upscale chain extended stay hotels in San Mateo and Santa Clara Counties as discussed above in text. Figures do not represent a 100 percent count of all upscale chain extended stay hotels in the two counties.

(b) Room demand represents the number of rooms sold over a given time period, excluding complimentary rooms.

Sources: STR; BAE, 2013.

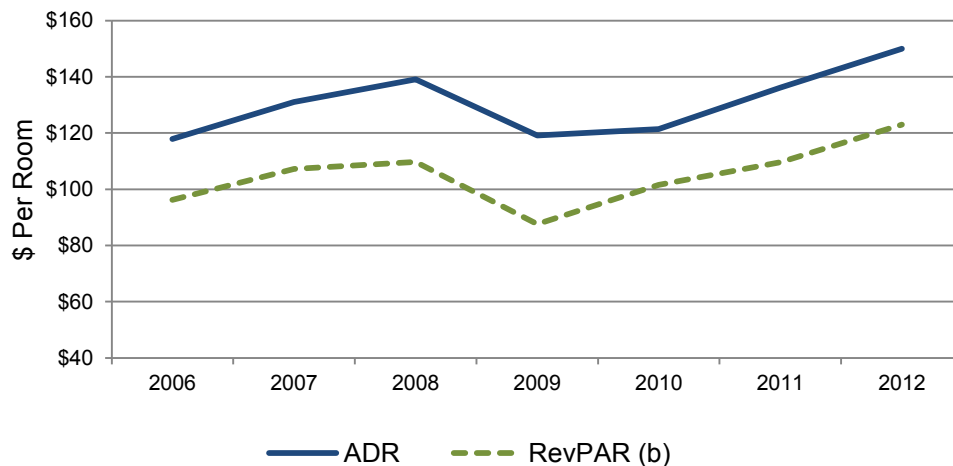
⁵ Specifically, the hotels excluded are the Residence Inn in South San Francisco, San Mateo, Milpitas, Campbell, San Jose, and Morgan Hill.

⁶ “STR: US hotels report continued growth in 2012,” STR, January 22, 2013, <http://www.hotelnewsnow.com/Articles.aspx/9748/STR-US-hotels-report-continued-growth-in-2012>.

Revenue trends also show a decline related to the recession, but by 2012 revenues had surpassed pre-recession levels (see Figure 3). In 2012, the average daily rate (ADR) for the upscale chain extended stay segment averaged \$150 per night, a 10 percent increase over 2011, and RevPAR (revenue per available room) averaged \$123, a 12 percent increase over 2011. In comparison, the 2012 ADR for all upscale chain hotels in the two counties was \$140, and RevPAR was \$110.

In addition to the data from STR, BAE compiled basic room rate quotes (“rack rates”) for a single-day stay and for a six-day stay at several of the upscale chain extended stay hotels closest to Menlo Park, including some Residence Inn properties that were excluded from the STR sample. As shown in Table 2, the highest rates were for the Residence Inn in Los Altos, the hotel closest to Menlo Park. The next highest rates were at the Residence Inn in Mountain View. These rates are a strong indicator that within the larger San Mateo/ Santa Clara County market, Menlo Park and nearby communities to the south are currently a strong submarket for hotels, likely due to the resurgent high tech sector in the area, as exemplified by Apple, Facebook, Google, and other companies. The strong local hotel performance is also indicated by data for the Los Altos Residence Inn as reported by the developer; according to SHPC, in 2011 that Residence Inn reported average occupancy of 82.8 percent and an average daily rate of \$171.31, for a RevPAR of \$140.59;⁷ in comparison, in 2011 the STR sample of upscale chain extended stay hotels as discussed above showed occupancy of 80.6 percent, and ADR of only \$136.11, and RevPAR of only \$125.61.

Figure 3: ADR and RevPAR Upscale Extended Stay Hotels, 2006-2012 (a)



Notes:

(a) Based on a sample of 13 upscale chain extended stay hotels in San Mateo and Santa Clara Counties as discussed above in text. Figures do not represent a 100 percent count of all upscale chain extended stay hotels in the two counties.

(b) RevPAR, or Revenue per Available Room, is calculated by dividing total room revenue by the total supply of rooms for a given period.

Sources: STR; BAE, 2013.

⁷ Personal communication from Reed Moulds, Managing Director, Sand Hill Property Company, January 30, 2013.

Table 2: Comparison of Room Rates at Local Upscale Chain Extended Stay Hotels

Hotel	City	Daily Rate	
		Number of Days	
		1	6
Homewood Suites San Francisco Airport North	Brisbane	\$229	\$209
Hyatt House Belmont Redwood Shores	Belmont	\$237	\$206
Residence Inn San Francisco Airport Oyster Point Waterfront	South San Francisco	\$249	\$219
Residence Inn San Francisco Arprt San Mateo	San Mateo	\$249 (a)	\$219 (a)
Staybridge Suites San Francisco Airport	San Bruno	na (b)	\$207
Residence Inn Palo Alto Los Altos	Los Altos	\$299	\$269
Residence Inn Palo Alto Mountain View	Mountain View	na (b)	\$259 (a)
Residence Inn Sunnyvale Silicon Valley I	Sunnyvale	na (b)	\$219
Residence Inn Sunnyvale Silicon Valley II	Sunnyvale	na (b)	\$249 (c)
Staybridge Suites Sunnyvale	Sunnyvale	\$228	\$210

Notes:

Based on basic room rates on web sites for a basic one-bedroom unit, except as noted . For consistency, all queries were made on the same day, and for the same time period. Single-day based on March 6, 2013; extended stay based on March 3-9, 2013.

(a) Rate shown is for a studio unit; no 1-BR units available.

(b) No rooms available at time of query for a single night on March 6.

(c) Rate is for a 1 BR, bi-level suite with loft w 2 baths; studio rate is \$209.

Source: Hotel websites; BAE, January, 2013.

Planned and Proposed Competition

A survey of Menlo Park and surrounding communities found limited additional competitive hotel supply in the pipeline. The only new project currently under consideration is a 230-room hotel proposed as part of the Menlo Gateway project in Menlo Park. Although the project has received all discretionary approvals, City staff report that the developer is having difficulty obtaining financing for this hotel, so the schedule for development is uncertain.⁸ City staff noted three smaller independent hotels in Menlo Park that were currently undergoing or proposing upgrades. These three hotels (the Menlo Park Inn, the Red Cottage Inn, and the Mermaid Inn) total approximately 100 rooms. The Mermaid Inn is currently in discussion with the City regarding a possible increase in their room count, but the other hotels are not adding rooms. BAE interviews with property owners indicated that only the Red Cottage Inn targets extended stay customers.

Alternative TOT Projection

BAE has generated a somewhat more conservative estimate of TOT to the City of Menlo Park. This estimate takes into account longer-term trends in occupancy and room rates as discussed in the analysis of STR data, adjusting for the higher room rates as indicated by revenues at the Los Altos Residence Inn (see Table 3 for the step by step calculations). Based on these adjustments, the proposed hotel would approximately \$615,000 in annual TOT revenues to the City of Menlo Park.

⁸ Phone call with Thomas Rogers, Senior Planner, City of Menlo Park, January 9, 2013.

The approximately six percent reduction in projected annual TOT revenues that this lower projection represents, even after accounting for the recent market cycle, reinforces the potential for the project to develop significant new fiscal revenues for the City. This alternative calculation for potential TOT should be considered to be within the same order of magnitude as the TOT estimate in the CCG Memo.

Table 3: Alternative Estimate of Transient Occupancy Tax

A	Average Vacancy for STR Sample of Upscale Extended Stay Hotels, 2006-2012	80.3%	Average of data in Figure 2
B	ADR, Los Altos Residence, 2011	\$171.31	From SHPC
C	Average ADR for STR Sample of Extended Stay Hotels, 2011	\$136.11	From Figure 3
D	Ratio of Los Altos Residence Inn ADR to Sample ADR, 2011	1.259	B/C
E	Average ADR for STR Sample of Upscale Chain Extended Stay Hotels, 2006-2012	\$130.67	Average of data in Figure 3
F	Estimated ADR for Los Altos Residence Inn 2006-2012	\$164.46	D*E
G	Estimated RevPAR for Los Altos Residence Inn 2006-2012	\$132.07	A*F
H	Number of Rooms in Proposed Hotel	138	Development plan
I	Estimated Average Annual Total Room Revenue	\$6,652,551	G*H*365
J	Percent Long-Term Stays	23%	From Conley Memo
K	Room Revenue Subject to TOT	\$5,122,464	I*(1-J)
L	Alternative Estimate of Annual TOT	\$614,696	K*12%

Source: BAE, based on information from STR, SHPC, and CCG.