



CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, June 4, 2013
7:00 P.M.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers

7:00 P.M. REGULAR SESSION

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

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS

A. PRESENTATIONS AND PROCLAMATIONS

- A1. Proclamation recognizing the Loma Prieta Sierra Club *(Attachment)*
- A2. Presentation recognizing the Boys and Girls Club Youths of the Year *(Attachment)*

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 appropriating \$2.7 million from the General Fund and \$370,000 from the Comprehensive Planning Fund to be transferred to the General Capitol Improvement Projects Fund *(Staff report #13-086)*
- D2. Waive the reading and adopt ordinances for the establishment of the R-4-S (High Density Residential, Special) Zoning District, creation of an Affordable Housing Overlay Zone, Codification of the State Density Bonus Law, modifications to the R-3 (Apartment) Zoning District, Rezoning of properties located along the 1200 and 1300 blocks of Willow Road, 600, 700 and 800 blocks of Hamilton Avenue and 3600 block of Haven Avenue, and the Elimination of the C-4 (General Commercial – applicable to El Camino Real), M-1 (Light Industrial), and P-D Zoning Districts for which no properties are zoned *(Staff report #13-087)*
- D3. Accept minutes for the Council meetings of March 26, April 2, 9, 16, 23, 30, May 7, 20 and 21, 2013 *(Attachment)*

E. PUBLIC HEARINGS

- E1. Review of the City Manager's proposed 2013-14 Budget and Capital Improvement Program for the City of Menlo Park; and consideration of the revised Long-Term Financial Forecast **(Staff report #13-092)**

REGULAR BUSINESS

- F1. Adopt a twenty seven percent community wide greenhouse gas emissions reduction target **(Staff report #13-089)**
- F2. Consider and introduce an ordinance to amend Chapter 16.79 (Secondary Dwelling Units) of Title 16 (Zoning) of the Menlo Park Municipal Code **(Staff report #13-090)**
- F3. Authorize the City Manager to execute a three-year renewable lease agreement with the Tougas Family Q-Tip Trust for the property located at 871A and 871B Hamilton Avenue in Menlo Park **(Staff report #13-091)**
- F4. Review Council meeting minutes style **(Staff report #13-088)**
- F5. Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item: **None**

F. CITY MANAGER'S REPORT – None

G. WRITTEN COMMUNICATION – None

H. 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

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at <http://www.menlopark.org> and can receive e-mail notification of agenda and staff report postings by subscribing to the "Home Delivery" service on the City's homepage. Agendas and staff reports may also be obtained by contacting the City Clerk at (650) 330-6620. Copies of the entire packet are available at the library for viewing and copying. (Posted: 05/30/2013)

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

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

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

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Persons with disabilities, who require auxiliary aids or services in attending or participating in City Council meetings, may call the City Clerk's Office at (650) 330-6620.

Proclamation

Commending and Congratulating the Loma Prieta Chapter of the Sierra Club
for Eighty Years of Protecting our Local Environment

WHEREAS, the Loma Prieta Chapter of the Sierra Club, which serves the Counties of San Mateo, Santa Clara, and San Benito, was formed in 1933 as the third local chapter of the Sierra Club; and

WHEREAS, the Loma Prieta Chapter of the Sierra Club was founded by a dedicated group of hikers gathered at Hidden Villa, California and, with 60 charter members, established what would become one of the largest Sierra Club chapters with over 16,000 members to date; and

WHEREAS, the tireless efforts of those early members created the core of the local environmental movement, including those that who supported the establishment of the Peninsula Conservation Center in 1967 which currently serves as a home to many local environmental organizations; and

WHEREAS, over the past eighty years, more than 3 million participants have taken part in the Loma Prieta Chapter's comprehensive Outings Program, which has organized over 200,000 hikes, nature walks, kayaking trips, peak climbs, cross country skiing, and backpacking journeys within the Chapter and elsewhere in California, as well as hundreds of trail building projects and other service activities; and

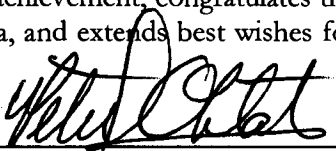
WHEREAS, the Loma Prieta Chapter has prioritized climate action, playing a vital role in reducing solar permit fees in dozens of California cities; encouraging cities to adopt robust climate action plans; supporting sustainable transportation alternatives such as Caltrain electrification; participating in hundreds of smart growth projects so residents have the choice of living a high quality of life without a car; and by supporting the design, funding and implementation of a pedestrian and bicycle trail network that brings us closer to nature while serving to protect nature as well; and

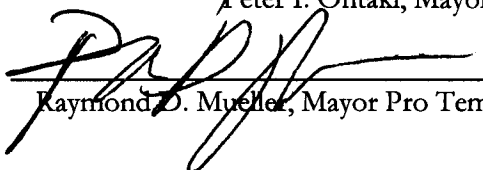
WHEREAS, the Loma Prieta Chapter remains a committed and effective advocate for policies that protect our environment, and has helped hundreds of environmentally-conscious decision makers get elected; and

WHEREAS, the Loma Prieta Chapter offers leadership development opportunities and provides a community for people who want to help our environment, most recently founding the Healthy Communities Leadership Academy, a 9-month leadership program for emerging environmental leaders in the Bay Area.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby commends the Loma Prieta Chapter of the Sierra Club for its record of civic achievement, congratulates the organization for its eighty years of service to the environment in the Bay Area, and extends best wishes for future success.




Peter I. Ohtaki, Mayor


Raymond D. Mueller, Mayor Pro Tem

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**City of Menlo Park
Certificate of Recognition**


Nicholette Harrison

**For attaining the
Boys & Girls Clubs**

*Youth of the Year for the
McNeil Family Clubhouse
Award*



Peter I. Ohtaki - Mayor
City of Menlo Park

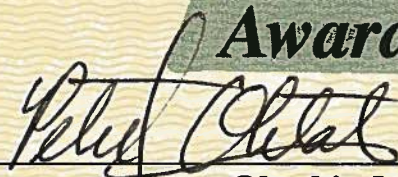


**City of Menlo Park
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Ashon Hunter

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**Peter Ohtaki - Mayor
City of Menlo Park**



**City of Menlo Park
Certificate of Recognition**

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Award



**Peter I. Ohtaki - Mayor
City of Menlo Park**

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: June 4, 2013
Staff Report #: 13-086

Agenda Item #: D-1

CONSENT CALENDAR: **Adopt a Resolution Appropriating \$2.7 million from the General Fund and \$370,000 from the Comprehensive Planning Fund to be transferred to the General Capital Improvement Projects Fund**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution (Attachment A) appropriating \$2.7 million in the General Fund and \$370,000 in the Comprehensive Planning Fund to be transferred to the General Capital Improvement Projects Fund for the Technology Master Plan and Comprehensive Planning projects (General Plan Update and Housing Element).

BACKGROUND

During fiscal year 2011-12, the Comprehensive Planning Fund was created to fund planning projects including the Housing Element. Since 2011-12, City Council has appropriated over \$1.3 million for the Housing Element project. On March, 26, 2013, the Council approved the 2013 City Council Goals which included the completion of the Housing Element project, initiating the first phases of the General Plan Update, and to develop a Technology Master Plan to assist in the identification of priorities and strategies for implementation of new technology. During the April 2, 2013 meeting, Council provided direction to staff to allocate, from one-time revenues, \$3 million dollars to the Technology Master Plan and \$2 million for General Plan Update.

At the same meeting, staff also identified several one-time revenues to be used to fund the new projects. The dissolution of the former redevelopment agency's low to moderate income housing funds generated \$585,000 in one time moneys, \$1.3 million from the dissolution of the former redevelopment agency's other funds, \$770,000 from the sale of 50 Terminal Avenue, \$1.1 million from Facebook East and \$1.23 million from the Stanford expansion. With the exception of the \$1.3 million from the former redevelopment agency, all of the previously listed revenues have been received by the City. The proceeds from the dissolution of the former redevelopment agency's other funds will be received by June 30, 2013.

ANALYSIS

The purpose of this action is to seek authorization of using \$5 million of one-time monies received in Fiscal Year 12-13 to fund two capital projects currently scheduled for Fiscal Year 13-14. One time payments totaling \$2.33 million are already recognized in the Capital Projects Fund, thus requiring an additional transfer of \$2.68 million to achieve the full \$5 million of funding.

In addition, a transfer of \$370,000 will occur at year end (or whatever amount remains obligated) in the Comprehensive Planning Fund as it is closed. With the closure of the Comprehensive Planning fund the remaining balance in the Housing Element project, approximately \$370,000, will be moved to the General Fund - CIP.

As shown in the current Capital Improvement Plan, a project of \$3,111,000 is proposed for 2013-14 to fund a Technology Master Plan followed by a series of comprehensive technology improvements (as recommended in the Master Plan). In addition, a project of \$2,000,000 will be funded for the General Plan Update.

IMPACT ON CITY RESOURCES

The recommended increase in appropriations have been included in the 2012-13 General Fund year-end estimates. The increase will be a reduction in the fund balance for the General Fund but they are being funded by unbudgeted one-time revenues that are not being used for operations. It will provide additional funding in the General Capital Improvement Project Fund for use of the aforementioned approved projects without reducing funding available for ongoing infrastructure capital improvement projects. The \$2.7 million transfer is included in the 2012-13 General Fund estimates and is a part of the \$696,000 estimated General Fund 2012-13 surplus as presented in the 2013-14 Proposed Budget.

POLICY ISSUES

This recommendation is consistent with the budget development principles set forth at the April 2, 2013 City Council Meeting

ENVIRONMENTAL REVIEW

Environmental review is not required.

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

Report prepared by:
Geoffrey Buchheim
Financial Services Manager

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROPRIATING \$2,700,000 OF ONE-TIME REVENUES FROM THE GENERAL FUND AND THE REMAINING BALANCE FROM THE COMPREHENSIVE PLANNING FUND TO GENERAL FUND CAPITAL IMPROVEMENT PROJECT FUND TO FUND THE TECHNOLOGY MASTER PLAN, GENERAL PLAN UPDATE AND HOUSING ELEMENT PROJECTS.

WHEREAS, during fiscal year 2011-12, the Comprehensive Planning Fund was created to fund planning projects including the Housing Element. Since 2011-12, City Council has appropriated over \$1.3 million for the Housing Element project; and

WHEREAS, on March, 26, 2013, the Council approved the 2013 City Council Goals which included the completion of the Housing Element project, initiating the first phases of the General Plan Update, and development and implementation of a Technology Master Plan; and

WHEREAS, during the April 2, 2013 meeting, Council provided direction to staff to allocate, from one-time revenues, \$3 million dollars to the Technology Master Plan and \$2 million for comprehensive planning projects, specifically the General Plan Update (M-2 project); and

WHEREAS, one-time revenues in the General Fund amount to \$2.7 million and will need to be transferred to the General Capital Improvement to help fund the \$5 million capital improvement projects for technology and comprehensive planning; and

WHEREAS, staff has decided to discontinue the use of the Comprehensive Planning Fund at the end of 2012-13, requiring the transfer of the remaining balance to the Housing Element project in the General Capital Improvement Projects Fund; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Menlo Park that the City Council does hereby authorize an appropriation of \$2,700,000 from the General Fund balance and the remaining fund balance of the Comprehensive Planning Fund to transfer to the General Capital Improvement Projects Fund.

I, Pamela I. Aguilar, Acting 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 fourth day of June 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 fourth day of June 2013.

Pamela I. Aguilar, Acting City Clerk



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: June 4, 2013
Staff Report #: 13-087

Agenda Item #: D2

CONSENT CALENDAR: Waive the Reading and Adopt Ordinances for the Establishment of the R-4-S (High Density Residential, Special) Zoning District, Creation of an Affordable Housing Overlay Zone, Codification of the State Density Bonus Law, Modifications to the R-3 (Apartment) Zoning District, Rezoning of Properties Located along the 1200 and 1300 Blocks of Willow Road, 600, 700 and 800 blocks of Hamilton Avenue and 3600 block of Haven Avenue, and the Elimination of the C-4 (General Commercial – Applicable to El Camino Real), M-1 (Light Industrial), and P-D Zoning Districts for which no Properties are Zoned

RECOMMENDATION

Staff recommends that the City Council complete actions related to the adoption of the Housing Element by waiving the full reading of, and adopting the following eight ordinances:

- An Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Incorporate the R-4-S (High Density Residential, Special) District (Attachment A);
- An Ordinance of the City of Menlo Park Adding Chapter 16.98 (Affordable Housing Overlay) to Title 16 (Zoning) of the Menlo Park Municipal Code (Attachment B);
- An Ordinance of the City Council of the City of Menlo Park Adding Chapter 16.97 (State Density Bonus Law) to Title 16 (Zoning) of the Menlo Park Municipal Code (Attachment C);
- An Ordinance of the City of Menlo Park, Amending Chapter 16.20, R-3 (Apartment) and Chapter 16.72 (Off-Street Parking) of the Menlo Park Municipal Code (Attachment D);

- An Ordinance of the City of Menlo Park, Rezoning Properties Located at 1221-1275 and 1317-1385 Willow Road to R-4-S (AHO) (High Density Residential, Special, Affordable Housing Overlay) (Attachment E);
- An Ordinance of the City of Menlo Park, Rezoning Properties Located at 631, 711-721, 735-763, 767, 771, 777-821 and 831-851 Hamilton Avenue to R-4-S (High Density Residential) (Attachment F);
- An Ordinance of the City of Menlo Park, Rezoning Properties Located at 3605-3665 Haven Avenue to R-4-S (AHO) (High Density Residential, Special, Affordable Housing Overlay) (Attachment G); and
- An Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Eliminate Zoning Districts (C-4 General Commercial – Applicable to El Camino Real, M-1 Light Industrial District, and P-D District) for which No Properties are Zoned (Attachment H).

BACKGROUND

On May 21, 2013, the City Council conducted a public hearing to consider and take action on the Housing Element and its associated components. After receiving public comments and deliberating on the items, the Council voted 4-0 (with Council Member Cline absent) to take the following actions related to the Housing Element:

1. Adopt a Resolution of the City Council of the City of Menlo Park, Adopting the Environmental Assessment for the Housing Element Update, General Plan Consistency Update and Associated Zoning Ordinance Amendments, Making Findings, and Adopting the Mitigation and Monitoring Reporting Program;
2. Adopt a Resolution of the City Council of the City of Menlo Park, Adopting the Statement of Overriding Considerations for the Housing Element Update, General Plan Consistency Update and Associated Zoning Ordinance Amendments;
3. Adopt a Resolution of the City Council of the City of Menlo Park, Amending the General Plan to Replace the Housing Element in its Entirety;
4. Adopt a Resolution of the City Council of the City of Menlo Park, Amending the General Plan to Update the Open Space and Conservation, Noise and Safety Elements, Modify the Land Use Designations of Medium Density Residential, High Density Residential and Limited Industry, to Delete the Land Use Designation of El Camino Real Professional/Retail Commercial, to Modify the Residential, Commercial and Industrial Use Intensity Tables, and to Change the Land Use Designation for Property Located at 1221-1275 and 1317-1385 Willow Road, 631, 711-721, 735-763, 767, 771, 777-821, and 831-851 Hamilton Avenue, and 3605-3665 Haven Avenue;

5. Introduce an Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Incorporate the R-4-S (High Density Residential, Special) District;
6. Introduce an Ordinance of the City of Menlo Park Adding Chapter 16.98 (Affordable Housing Overlay) to Title 16 (Zoning) of the Menlo Park Municipal Code (Attachment G);
7. Introduce an Ordinance of the City Council of the City of Menlo Park Adding Chapter 16.97 (State Density Bonus Law) to Title 16 (Zoning) of the Menlo Park Municipal Code;
8. Introduce an Ordinance of the City of Menlo Park, Amending Chapter 16.20, R-3 (Apartment) and Chapter 16.72 (Off-Street Parking) of the Menlo Park Municipal Code;
9. Introduce an Ordinance of the City of Menlo Park, Rezoning Properties Located at 1221-1275 and 1317-1385 Willow Road;
10. Introduce an Ordinance of the City of Menlo Park, Rezoning Properties Located at 631, 711-721, 735-763, 767, 771, 777-821 and 831-851 Hamilton Avenue;
11. Introduce an Ordinance of the City of Menlo Park, Rezoning Properties Located at 3605-3665 Haven Avenue;
12. Introduce an Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Eliminate Zoning Districts (C-4 General Commercial – Applicable to El Camino Real, M-1 Light Industrial District, and P-D District) for which No Properties are Zoned; and
13. Continue Deliberation on an Ordinance of the City of Menlo Park, Amending Chapter 16.79, Secondary Dwelling Units of the Menlo Park Municipal Code.

The resolutions (items #1 through # 4) became effective immediately. Staff will be submitting the adopted Housing Element to the State Housing and Community Development Department for review and certification. The ordinances relating to items #5 through #12 were introduced and require a second reading for adoption.

The City Council requested modifications to item #5 (R-4-S Zoning District) related to the development regulations and design standards for the new district, including the following: 1) addition of language regarding substandard parcels, 2) increasing the limit of stucco on the exterior of a building to 80 percent, and 3) minor revisions for clarity to item 6(a) regarding building entries and 4) minor revisions for clarity to item 9(a)(1) regarding bicycle parking locations. The following are the edits shown in ~~strikeout~~ (delete) and underline (new) format.

Design Standard 6(a) – Building Entries

~~When a residential building is adjacent to a public street or other public space, the building shall provide entries, access points or features oriented to the street that are visible from the public right-of-way or public space and provide visual cues to denote access into the building. Building entries shall be oriented towards a public street or other public space when adjacent to a public street or other public space. For larger residential buildings with shared entries, the main entry shall be through prominent entry lobbies or central courtyards facing the street. From the street, these entries provide additional orientation, visual interest, visual security, and sense of invitation.~~

Design Standard 9(a)(1) – Bicycle Parking

Each long term bicycle parking space shall consist of a locker or locked enclosure, such as a secure room or controlled access area, providing protection for each bicycle from theft, vandalism and weather. A private locked storage unit ~~may be considered as a private garage if a~~ satisfies this requirement. ~~can fit in it.~~ Within a common residential building garage, bicycle parking ~~should~~ shall be located within 40 feet of common ~~entry~~ access points into the building.

The changes have been included in the final ordinance included as Attachment A. All of the ordinances that were introduced on May 21, 2013 are before the City Council for the second reading and approval.

As referenced in item #13, the Council continued its deliberation on modifications to the Secondary Dwelling Unit Ordinance. This item will be discussed separately as a Regular Business item at the June 4, 2013 City Council meeting.

ANALYSIS

Staff has prepared the final version of the ordinances approving the creation of the R-4-S (High Density Residential, Special) zoning district, including design standards and guidelines, the creation of the Affordable Housing Overlay Zone, codification of the State Density Bonus Law, modifications to the R-3 (Apartment) zoning district, the rezoning of property located at the 1200 and 1300 blocks of Willow Road, 600, 700 and 800 blocks of Hamilton Avenue and the 3600 block of Haven Avenue, and the elimination of the C-4 (General Commercial - Applicable to El Camino Real), M-1 (Light Industrial) and P-D districts for which no properties are zoned (Attachments A through H, respectively). If the Council takes action to adopt the ordinances, they will become effective 30 days later, or on July 5, 2013.

IMPACT ON CITY RESOURCES

There is no direct impact on City resources associated with adoption of these ordinances. The overall project's impact on City resources was discussed in the May 21, 2013 staff report.

POLICY ISSUES

The recommended action is consistent with the City Council's actions and approvals at its meeting of May 21, 2013 and would serve to implement programs of the adopted Housing Element.

ENVIRONMENTAL REVIEW

On May 21, 2013, the City Council considered and adopted the Environmental Assessment prepared for the Housing Element and its related components, and adopted findings approving a Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting. In addition to the agenda posting, an email update was sent to subscribers of the project page for the proposal, which is available at the following address: <http://www.menlopark.org/athome>. The project page allows interested parties to subscribe to email updates, and provides up-to-date information about the project, as well as links to previous staff reports and other related documents.

ATTACHMENTS

- A. Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Incorporate the R-4-S (High Density Residential, Special) District
- B. Ordinance of the City of Menlo Park Adding Chapter 16.98 (Affordable Housing Overlay) to Title 16 (Zoning) of the Menlo Park Municipal Code
- C. Ordinance of the City Council of the City of Menlo Park Adding Chapter 16.97 (State Density Bonus Law) to Title 16 (Zoning) of the Menlo Park Municipal Code
- D. Ordinance of the City of Menlo Park, Amending Chapter 16.20, R-3 (Apartment) and Chapter 16.72 (Off-Street Parking) of the Menlo Park Municipal Code
- E. Ordinance of the City of Menlo Park, Rezoning Properties Located at 1221-1275 and 1317-1385 Willow Road
- F. Ordinance of the City of Menlo Park, Rezoning Properties Located at 631, 711-721, 735-763, 767, 771, 777-821 and 831-851 Hamilton Avenue
- G. Ordinance of the City of Menlo Park, Rezoning Properties Located at 3605-3615, 3633-3639, and 3645-3665 Haven Avenue

- H. Ordinance of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Eliminate Zoning Districts (C-4 General Commercial – Applicable to El Camino Real, M-1 Light Industrial District, and P-D District) for which No Properties are Zoned

Report prepared by:
Deanna Chow
Senior Planner

Justin Murphy
Development Services Manager

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AMENDING CHAPTER 16.68 [BUILDINGS] AND CHAPTER 16.72 [OFF-STREET PARKING] AND ADDING CHAPTER 16.23 [R-4-S HIGH DENSITY RESIDENTIAL, SPECIAL] TO TITLE 16 [ZONING] OF THE MENLO PARK MUNICIPAL CODE

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

SECTION 1. The City Council of the City of Menlo Park hereby finds and declares as follows:

- A. The City desires to add Chapter 16.23 (High Density Residential, Special) and amend Chapters 16.04 [Definition], 16.68 [Buildings], and 16.72 [Off-street Parking] of Title 16 [Zoning] to create consistency and opportunities for higher density housing in locations with development that is meant to blend with and enhance existing neighborhoods through application of the development regulations and design standards to help create attractive, hospitable and functionally useful multi-family housing.
- B. The Planning Commission held duly noticed public hearings on April 22, 2013 and April 29, 2013 to review and consider the proposed amendments to Chapters 16.04, 16.68 and 16.72, and the addition of Chapter 16.23 to Title 16 of the Menlo Park Municipal Code, whereat all interested persons had the opportunity to appear and comment.
- C. The City Council held duly noticed public hearings on April 22, 2013 and April 29, 2013 to review and consider the proposed amendments to Chapters 16.04, 16.68 and 16.72, and the addition of Chapter 16.23 to Title 16 of the Menlo Park Municipal Code, whereat all interested persons had the opportunity to appear and comment.
- D. After due consideration of the proposed amendments and addition to Title 16, public comments, the recommendation of the Planning Commission, and the staff report, the City Council finds that the proposed amendments and addition to Title 16 support the Housing Element and are appropriate.

SECTION 2. Chapter 16.04 [Definitions] of Title 16 [Zoning] of the Menlo Park Municipal Code is hereby amended to read as follows:

SECTION 3. Chapter 16.23 [High Density Residential, Special] is hereby added to Chapter 16 [Zoning] of the Menlo Park Municipal Code to read as follows:

Chapter 16.23

R-4-S High Density Residential, Special

Sections:

- 16.23.010 Purpose
- 16.23.020 Permitted uses
- 16.23.030 Conditional uses
- 16.26.040 Nonconforming uses
- 16.23.050 Development regulations
- 16.23.055 Substandard parcel
- 16.23.060 Mitigation monitoring
- 16.23.070 Development standards and guidelines

16.23.010 Purpose.

The purpose of the R-4-S is to create opportunities for higher density housing in suitable locations deemed appropriate in Menlo Park. Development is intended to blend and enhance existing neighborhoods with application of site development regulations and design standards to minimize impacts to adjacent uses and provide a quality living environment for its residents. Permitted densities in the R-4-S district range from a minimum of 20 dwelling units per acre up to 30 dwelling units per acre.

16.23.020 Permitted uses.

The only permitted use in the R-4-S zoning district is multiple dwellings.

16.23.030 Conditional uses.

Conditional uses allowed in the R-4-S district, subject to obtaining a use permit are as follows:

- (1) Public utilities in accordance with Chapter 16.76;
- (2) Private schools and churches in accordance with Chapter 16.78;
- (3) Child day care centers in accordance with Chapter 16.78;
- (4) Home occupations in accordance with Section 16.04.340;
- (5) Foster homes;
- (6) Boardinghouses;
- (7) Convalescent homes;
- (8) Senior day care facilities.
- (9) Ancillary neighborhood serving commercial uses up to five (5) percent of the site area or 10,000 square feet, whichever is less, that is part of a mixed-use

development and the number of dwelling units for the site is in accordance with the anticipated number of units identified in the Housing Element.

16.22.040 Nonconforming uses.

No legal use of any parcel existing as of the effective date of adoption of an ordinance rezoning the parcel to R-4-S—shall be required to obtain a use permit to continue operating such existing use on the parcel, which use became non-conforming solely as a result of such rezoning.

16.23.050 Development regulations.

Development regulations are as follows in the R-4-S district:

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| | | Regulation¹ | Notes |
|---|--------------------------------|---|---|
| Minimum Lot Area | | 20,000 sf | |
| Minimum Lot Width | | 100 ft. | See Zoning Ordinance Section 16.04.430 for definition. |
| Minimum Lot Depth | | 100 ft. | See Zoning Ordinance Section 16.04.420 for definition. |
| Density | minimum | 20 du/ac | Densities may be increased with application of the State Density Bonus Law or Affordable Housing Overlay, if applicable |
| | maximum | 30 du/ac | |
| Minimum Yards | Front | 10 ft. | See Zoning Ordinance Section 16.04.720 for definition. |
| | Interior Side | 10 ft., except may be reduced to 5 ft. abutting a private access easement | See Zoning Ordinance Section 16.04.740 for definition. |
| | Corner Side | 10 ft. | |
| | Rear | 10 ft. | See Zoning Ordinance Section 16.04.730 for definition. |
| Maximum Floor Area Ratio | | Increase on an even gradient from 60% for 20 du/ac to 90% for 30 du/ac | See Zoning Ordinance Section 16.04.315 and 16.04.325 for definitions. |
| Maximum Building Coverage | | 40% | See Zoning Ordinance Section 16.04.120 for definition |
| Minimum Open Space (Landscaping) | | 25% | See Zoning Ordinance Section 16.04.500 for definition. |
| Height | Maximum building height | 40 ft. | See Zoning Ordinance Section 16.04.330 for definition of height of structure. |
| Building Profile | | Starting at a height of 25 feet, a 45-degree building profile shall be set at the minimum setback line contiguous with a public right-of-way or single-family zoned property. | |
| Parking | Vehicular | 2 spaces for units w/ 2 or more bedrooms; 1.5 spaces for 1 bedroom unit; 1 space per studio. Spaces cannot be located in required front yard setbacks or in tandem. | |
| | Electric Vehicle | A minimum of 3 percent of the required number of parking spaces shall provide dedicated electric vehicle/plug-in hybrid electric charging stations and a minimum of 2 percent of the required number of parking spaces shall be pre-wired for such equipment. | |
| | Bicycle | Long term – 1 space per unit where a private garage (per unit) is not provided Short term (visitor) – 1 space per every 10 units | |

¹A development regulation, except for floor area ratio and density, may be modified subject to a use permit established in Section 16.82.

16.23.055 Substandard parcel.

Notwithstanding anything in this Title to the contrary, any parcel whose lot area is less than 20,000 square feet as of the effective date of adoption of an ordinance rezoning the parcel to R-4-S or R-4-S(AHO) shall not be required to obtain a use permit to develop the parcel in accordance with the zoning. However, all other development regulations of the R-4-S or R-4-S(AHO) zoning, other than minimum lot size, shall apply to the parcel. This section shall not apply where action is taken to reduce the minimum lot size of the parcel to less than 20,000 square feet after the effective date of the ordinance rezoning the parcel.

16.23.060 Mitigation monitoring.

All development within the R-4-S zoning district shall comply, at a minimum, with the Mitigation Monitoring and Report Program (MMRP) established through Resolution No. 6149 associated with the Housing Element Update, General Plan Consistency Update, and Zoning Ordinance Amendments Environmental Assessment prepared for the Housing Element adopted on twenty-first day of May, 2013.

16.23.070 Design standards and guidelines.

Construction of a new building, additions to an existing building, and exterior alterations of an existing building occurring within the R-4-S district shall adhere to the Development Standards and Guidelines.

The R-4-S zoning district establishes a combination of development standards and design guidelines to guide the development of higher density housing in a comprehensive and cohesive manner in appropriate locations. **Standards** are objective and measurable rules required for new development. **Guidelines** suggest means for enhancing building design, attractiveness and neighborhood fit, as well as residential comfort and usefulness.

Design standards are open to modification subject to Architectural Control established in Section 16.68.020.

(1) Building Setbacks and Projections within Setbacks*(a) Standards*

1. Front, side and rear setback areas shall be developed with a variety of landscaping.
 - a. A minimum average of one (1) 15 gallon container grown tree per 20 linear feet for the length of the property frontage along a public right-of-way is required.
 - b. Existing trees located in the public right-of-way along the property frontage shall count towards the minimum tree requirement for that property frontage.

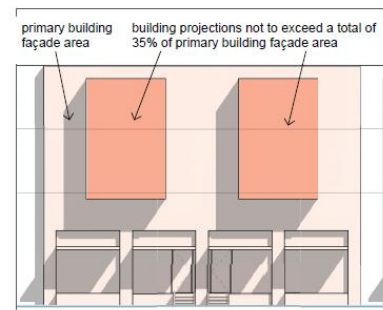


Figure 1



- c. For other setback areas not along a public right-of-way, a minimum average of one (1) 15 gallon container grown tree per 40 linear feet for the length of the property line is required.
2. Building projections, such as balconies and bay windows, at or above the second floor shall not project beyond a maximum of 5 feet into the setback area.
3. Where a property is contiguous to a single-family zoned property, no projections into the setback are permitted for balconies or decks at or above the second floor.
4. The total area of all horizontal and vertical building projections shall not exceed 35% of the building façade area, and no one projection shall exceed 15% of the façade area on which the projections are located. Where such projections enclose interior living space, 85 percent of the vertical surface of the projection shall be windows or glazed. (See Figure 1)

(2) Façade Modulation and Treatment

(a) Standards

1. Building façades facing public rights-of-way or public open spaces shall not exceed 50 feet in length without a minor building façade modulation. At a minimum of every 35 feet of façade length, the **minor vertical façade modulation** shall be a minimum 2 feet deep by 5 feet wide recess or a minimum 2 foot setback of the building plane from the primary building façade.
2. Building façades facing public rights-of-way or public open spaces shall not exceed 100 feet in length without a major building facade modulation. At a minimum of every 75 feet of façade length, a **major vertical façade modulation** shall be a minimum of 6 feet deep by 20 feet wide recess or a minimum 6 foot setback of building plane from primary building façade for the full height of the building.
3. In addition, the major building façade modulation shall be accompanied with a 4 foot minimum height modulation and a major change in fenestration pattern, material and/or color.

(b) Guidelines

1. Minor façade modulation may be accompanied with a change in fenestration pattern, and/or material, and/or color, and/or height.
2. Blank walls at ground floor are discouraged and should be minimized. When unavoidable, continuous lengths of blank wall at the street should use other appropriate measures such as landscaping, additional architectural enhancement, or artistic intervention such as murals.
3. Entries should be prominent and visually distinctive from the rest of the façade with creative use of scale, materials, glazing, projecting or recessed forms, architectural details, color, and/or awnings.

4. The use of articulation, setbacks and varying materials are encouraged to minimize bulk and massing and provide visual interest.
5. Architectural details and elements such as reveals, score-lines, trim, and/or other architectural elements and features should be scaled appropriately based on viewing distance (i.e. finer grain details from pedestrian view points and large scale details from more distant view points).
6. Where a building intersects a street, consider providing a break in the building to provide view corridors.

(3) Building Profile

(a) Standards

1. The façade of a building shall be limited to one major step back. (See Figure 2)
2. Horizontal building and architectural projections, like balconies, bay windows, dormer windows beyond the 45-degree building profile shall comply with the standards for Building Setbacks & Projection within Setbacks section and shall be architecturally integrated into the design of the building. (See Figure 3)
3. Vertical building projections like parapets and balcony railings shall not extend more than 4 feet beyond the 45-degree building profile and shall be architecturally integrated into the design of the building.
4. Rooftop elements that may need to extend beyond the 45-degree building profile due to their function, such as stair and elevator towers, shall be architecturally integrated into the design of the building.

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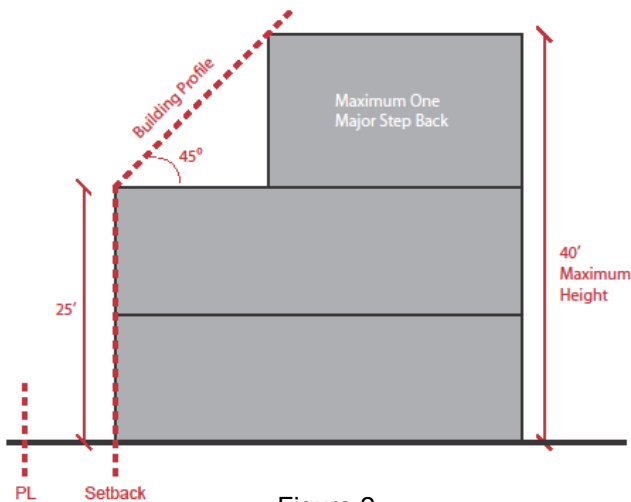


Figure 2

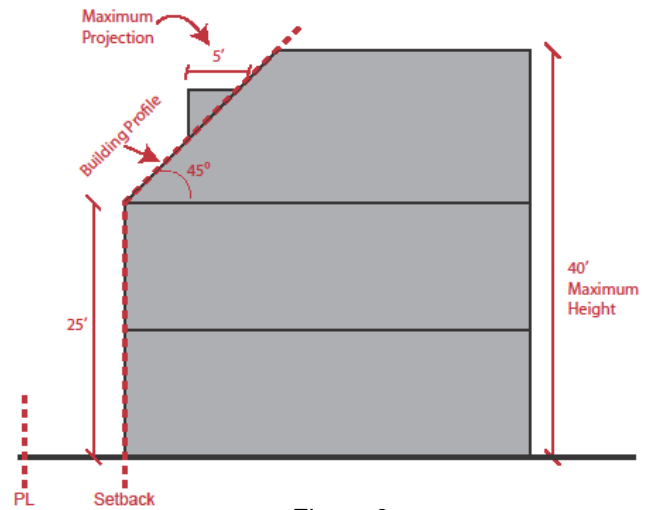


Figure 3

(4) Height

(a) Standards

1. Vertical building projections such as parapets and balcony railings may extend up to 4 feet beyond the maximum building height, and shall be architecturally integrated into the design of the building.
2. Rooftop elements that may need to exceed the maximum building height due to their function, such as stair and elevator towers, shall not exceed 14 feet beyond the maximum building height. Such rooftop elements shall be architecturally integrated into the design of the building.
3. Towers, cupolas, spires, chimneys, and other architectural features not exceeding 10 percent of the roof area may exceed the maximum building height limit by a maximum of 10 feet. Such rooftop elements shall be architecturally integrated into the design of the building.

(5) External Materials

(a) Standards

1. Buildings shall be designed and incorporate materials that discourage graffiti. Windows, doors, and small architectural features are exempt from this requirement.
2. All external stucco shall be completed in textures that are smooth, sanded, or fine-scraped. Heavy-figuring or rough cast stucco are not permitted.
3. Stucco on the external façade shall be limited to no more than 80% of the entire area of an elevation, inclusive of all windows and doors.
4. All external windows where in solid walls shall be inset by a minimum of 2 inches from the face of the external finishes.

5. When simulated divided light windows are included in a development, the windows shall include mullions on the exterior of the glazing and contain internal dividers (spacer bars) between the window panes.

(b) Guidelines

1. Materials should be selected to reinforce architectural character, building articulation and add visual interest.
2. Changes in material and/or color should be used to articulate building elements such as building entries; base, body and parapet caps; or bays and arcades.
3. Changes in material and/or colors should occur at appropriate façade locations to appear integral with the building massing.
4. High quality materials that are distinctive from the main external wall finish of the building, such as decorative concrete, masonry or tile, should be used at important locations to articulate the building facade, providing visual interest as well as durable performance.

(6) Building Entries

(a) Standards

1. When a residential building is adjacent to a public street or other public space, the building shall provide entries, access points or features oriented to the street that are visible from the public right-of-way or public space and provide visual cues to denote access into the building. For larger residential buildings with shared entries, the main entry shall be through prominent entry lobbies or central courtyards facing the street.

(b) Guidelines

1. Building entries are allowed to be recessed from the primary façade.
2. Entries should be prominent and visually distinctive from the rest of the façade through creative use of materials, scale, glazing, projecting or recessed forms, architectural details, color and/or canopies.
3. Multiple entries at street level are encouraged where appropriate.
4. Ground floor residential units are encouraged to have their entry from the street.
5. Stoops and entry steps from the street are encouraged when compliant with applicable accessibility codes. Stoops associated with landscaping create visually attractive, inviting and usable transitions from private spaces to the street.

(7) Open Space*(a) Standards*

1. Residential developments shall have a minimum of 100 square feet of open space per unit created as common open space or a minimum of 80 square feet of open space per unit created as private open space, where private open space shall have a minimum dimension of 6 feet by 6 feet. In case of a mix of private and common open space, such common open space shall be provided at a ratio equal to 1.25 square feet for each one square foot of private open space that is not provided.
2. Depending on the number of dwelling units, common open space shall be provided to meet the following criteria:
 - i. 10-50 units: Minimum of one space, 20 feet minimum dimension (400 sf total, minimum).
 - ii. 51-100 units: Minimum of one space, 30 feet minimum dimension (900 sf total, minimum).
 - iii. 101 or more units: Minimum of one space, 40 feet minimum dimension (1,600 sf total, minimum)

(b) Guidelines

1. Private and/or common open spaces are encouraged in all developments as part of building modulation and articulation to enhance building façade.
2. Private open space should be designed as an extension of the indoor living area, providing an area that is usable and has some degree of privacy.
3. Landscaping in setback areas should define and enhance pedestrian and open space areas. It should provide visual interest to streets and sidewalks, particularly where building façades are long.
4. Landscaping of open spaces should be attractive, durable and drought-resistant.
5. Common open space should be accessible and located convenient to residents.
6. Open space should be sited and designed to be appropriate for the size of the development and accommodate different activities, groups and both active and passive uses.

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(8) Parking*(a) Standards – None**(b) Guidelines*

1. The location, number and width of parking should be limited to minimize breaks in building design, sidewalk curb cuts and potential conflicts with streetscape elements.
2. Surface parking should be visually attractive, address security and safety patterns, and provide landscaping and canopy trees for shade.
3. To minimize or eliminate their visibility and impact from the street and other significant public spaces, parking garages should be underground, wrapped by other uses and/or screened from view through architectural and/or landscape treatment.
4. Whether free-standing or incorporated into overall building design, garage facades should be designed with a modulated system of vertical openings and pilasters, with design attention to an overall building façade that fits comfortably and compatibility into the pattern, articulation, scale and massing of surrounding building character.
5. Introduce safe pedestrian pathways, connecting the parking lot to building entries and public sidewalks, using elements such as marked crossings, clear signage and supplementary lighting.
6. To reduce water consumption and heat island effect, incorporate shade, use indigenous plant materials and use permeable materials, where appropriate.
7. A mix of tree types should be incorporated into the planting palette, where at least 50 percent of the trees have a mature height of at least 30 feet.
8. Trees should be appropriately spaced and installed to allow for growth and prevent root damage to parking lot surfaces.
9. Parking lot lighting should not conflict with the location or growth of the trees.
10. Parking lot light standards no greater than 16 feet in height are strongly encouraged.

(9) Bicycle Parking*(a) Standards*

1. Each long term bicycle parking space shall consist of a locker or locked enclosure, such as a secure room or controlled access area, providing protection for each bicycle from theft, vandalism and weather. A private locked storage unit that can accommodate a bicycle satisfies this requirement. Within a common residential building garage, bicycle parking shall be located within 40 feet of common access points into the building.

2. Short-term bicycle parking shall consist of a bicycle rack or racks at street level and is meant to accommodate visitors.
3. Bicycle parking facilities shall not impede pedestrian or vehicular circulation.

(b) Guidelines

1. Visitor bicycle racks should be positioned in areas with active visual surveillance and night lighting, and protected from damage from nearby vehicles.
2. Bicycle racks for short term parking should be located in convenient locations to each building's main entries.
3. The location and design of required bicycle parking shall be of a quality, character and color that harmonize with adjoining land uses. Required bicycle parking shall be incorporated whenever possible into building design or street furniture.
4. Racks should be located with at least 30 inches of clearance in all directions from any obstruction, including but not limited to other racks, walls and landscaping.

(10) Shade and Shadow

(a) Standards

1. Development shall be designed so that shadow impacts on adjacent shadow-sensitive uses (e.g. residential, recreational, churches, schools, outdoor restaurants, historic buildings, and pedestrian areas) are minimized to the best extent possible. Shadow-sensitive uses shall not be shaded by project-related structure for more than three hours between the hours of 9:00 a.m. and 3:00 p.m. Pacific Standard Time (between late October and early April), or for more than four hours between the hours of 9:00 a.m. and 5:00 p.m. Pacific Daylight Time (between early April and late October).

(11) Lighting

(a) Standards

1. Exterior lighting fixtures shall use fixtures with low cut-off angles, appropriately positioned, to minimize glare into dwelling units and light pollution into the night sky.
2. Lighting in parking garages shall be screened and controlled so as not to disturb surrounding properties, but shall ensure adequate public security.

(b) Guidelines

1. Energy-efficient and color-balanced outdoor lighting, at the lowest lighting levels possible, are encouraged to provide for safe pedestrian and auto circulation.
2. Installation of high-efficiency lighting systems with advanced lighting control, including motion sensors tied to dimmable lighting controls or lighting controlled by timers set to turn off at the earliest practicable hour, are recommended.

16.23.060 Compliance review procedure.

Each development proposed under the R-4-S zoning requires review for compliance with Sections 16.23.040 and 16.23.050 prior to submittal of a building permit for any new structure containing residential dwelling units.

- (1) **Application.** Requests for compliance review shall be made in writing by the owner of the property, lessee, purchaser in escrow, or optionee with the consent of the owners, on a form prescribed by the City. The application shall be accompanied by a fee, set by the City Council, and plans showing the details of the proposal per submittal guidelines established by the Community Development Director.
- (2) **Noticing.** Upon receipt of an application, a notice shall be mailed to all property owners and building occupants within 300 feet of the exterior boundary of the property involved, using for this purpose the last known name and address of such owners as shown upon the current assessment roll maintained by the City. The notice shall include a description of the proposal, methods for providing comments, and date and time of a public meeting.
- (3) **Public meeting.** Prior to making a determination of compliance, the Planning Commission shall conduct a study session. The review by the Planning Commission shall be advisory and non-binding and shall be limited to the architectural design of the proposal relative to the Design Standards and Design Guidelines.
- (4) **Compliance determination.** The Community Development Director or his or her designee shall make a determination of compliance in writing after reviewing the project plans and considering any comments received. The determination of the Community Development Director is final and not subject to appeal.

SECTION 4. Section 16.68.020 [Architectural Control] of Chapter 16.68 [Buildings] of Title 16 [Zoning] of the Menlo Park Municipal Code is hereby amended to read as follows:

16.68.020 Architectural control.

When an application is made for a building permit for the construction, alteration or remodeling of any building other than a single family dwelling, duplex and accessory building, or for any structure, dwelling or duplex on land designated as a historic landmark site, it shall be accompanied by architectural drawings showing elevations of the proposed building or structure, proposed landscaping or other treatment of the grounds around such building or structure, and proposed design of, and access to, required parking facilities. Such drawings shall be considered by the planning commission, architectural committee, or community development director which shall approve said application if the following findings are made:

- (1) That the general appearance of the structures is in keeping with character of the neighborhood;
- (1) That the development will not be detrimental to the harmonious and orderly growth of the city;

- (3) That the development will not impair the desirability of investment or occupation in the neighborhood;
- (4) That the development provides adequate parking as required in all applicable city ordinances and has made adequate provisions for access to such parking;
- (5) That the development is consistent with any applicable Specific Plan.

The community development director shall be limited to approving minor modifications to buildings located in the M-2 General Industrial District. For purposes of this Section, a minor modification is considered one in which there is no increase in gross floor area.

Each request to alter a site or area and each application for a building permit to do work on a historic landmark site shall include plans and specifications showing the proposed landscaping or planting changes, exterior appearance, color and texture of materials, and architectural design and detail; drawings or photographs showing the property or site in the context of its surroundings may also be required. The application shall be considered by the planning commission or architectural committee which shall approve said application if the following findings are made:

- (1) That the proposed work is appropriate to and consistent with the purposes of Chapter 16.54, historic landmark site district;
- (2) That the proposed work will preserve, enhance or restore, and shall not damage or destroy (a) the exterior architectural features of the landmark, and (b) the major interior architectural features of a publicly owned landmark.

No building permit shall be issued in any case herein above mentioned until such findings have been made by the planning commission. All buildings, structures, alterations and other improvements shall be constructed in accordance with the approved drawings.

Notwithstanding the foregoing, this section shall not apply to building permits for the construction of multiple dwelling units in the R-4-S zoning district and no architectural control findings shall be required for any such permit, unless an applicant seeks to modify one or more of the design standards set forth in Section 16.23.050.

SECTION 5. Section 16.68.030 [Accessory Buildings and/or Structures] of Chapter 16.68 [Buildings] of Title 16 [Zoning] of the Menlo Park Municipal Code is hereby amended to read as follows:

16.68.030 Accessory buildings and/or structures.

- (a) Accessory buildings and/or structures may be constructed with, or subsequent to the construction of the main building. Where an accessory building and/or structure is attached to the main building, it shall be made structurally a part of the main building, and shall comply in all respects with the requirements of this chapter which are applicable to the main building; provided, however, that garage or carport entrances on a dwelling or dwellings, fronting on any lot line shall be located not less than twenty feet from such line. Unless so attached, an accessory building and/or structure in an R district other than R-4-S shall be located on the rear one-half of the lot and at least ten feet from any dwelling building existing or under construction on the same lot, or any adjacent lot. In the R-4-S district, an

accessory building may encroach into the front half of the lot, but the accessory building shall maintain a minimum setback for 50 feet from the front property line unless a use permit is obtained therefor from the planning commission. Such accessory building shall not be located within five feet of any alley; or within thirty-six inches of any property line. In the case of a corner lot, an accessory building may not project beyond the setback required on the adjacent lot. Overall height of an accessory building and/or structure shall not exceed fourteen feet; wall height shall not exceed nine feet.

SECTION 6. Chapter 16.72 [Off-street Parking] of Title 16 [Zoning] of the Menlo Park Municipal Code is hereby amended to read as follows:

16.72.020 R district uses.

R district parking uses are as follows:

- (1) Dwellings: Two spaces per unit, not in any required front or side yard, at least one of which shall be in a garage or carport, unless otherwise specified;
- (2) Retirement living units: Adequate parking for the character of the occupancy but not less than one garage space per three units;
- (3) Boardinghouses: One space per two occupants, not in any required front or side yard. At least half of the required spaces shall be in a garage or carport;
- (4) Rest home, convalescent home: One space per four beds, not in any required front or side yard;
- (5) Churches: One space per five seats, not in any required front or side yard;
- (6) Offices: One space per two hundred square feet of gross floor area, not in any required yard abutting a street.
- (7) R-4 District. Units with two or more bedrooms require two off-street parking spaces per unit; one bedroom units require one and one-half off-street parking spaces per unit; studio units require one off-street parking space per unit; required off-street parking spaces cannot be located in any required front or side yard setback; each unit shall have at least one covered off-street parking space; one guest off-street parking space for every three units shall be provided on the site.

SECTION 7. This ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to the court ordered Judgment Pursuant to Stipulation ("Judgment") in Peninsula Interfaith Action, et al. v. City of Menlo Park, Case No CIV513882, the City is required to bring its Housing Element and related elements of the General Plan into compliance with state law and the terms of the Settlement Agreement that was incorporated into the Judgment. The Judgment incorporates Government Code Section 65759, which provides that CEQA does not apply to any action necessary to bring the General Plan or relevant mandatory elements into compliance with any court order. This ordinance is required to bring the General Plan or relevant mandatory elements into compliance with State law and the court ordered Judgment. It is, therefore, not subject to CEQA.

If this ordinance were subject to CEQA, this ordinance is not a project pursuant to Public Resources Code Section 21080(a) and CEQA Guidelines Section 15002(i), which indicate that CEQA applies to discretionary projects carried out or approved by public agencies. This ordinance is ministerial in that the Housing Element indicates that the City “will” take the actions identified in this ordinance within 60 days of adoption of the Housing Element. When an initial approval (in this case the Housing Element) is sufficiently specific that any follow-up approval is limited to a determination of compliance with conditions or provisions set forth in the initial approval, then the follow-up approval is ministerial. *Health First v. March Joint Powers Auth.* (2009) 174 Cal.App.4th 1135. Finally, the rezoning for “by-right” development at higher densities is required pursuant to state law. Government Code Sections 65583 and 65583.2. For all of the foregoing reasons, there is no judgment or deliberation on the part of the decision makers and decision makers have no power to shape or change the actions identified in this ordinance in response to environmental review. As a ministerial action, this ordinance is not a project subject to CEQA.

Even if this ordinance were determined to be a discretionary project subject to CEQA, the “common sense exemption” which indicates CEQA applies only to projects that have the potential for causing a significant effect on the environment applies to exempt this ordinance from needless environmental review. CEQA Guidelines 15601(b)(3); *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal. 4th 372. The environmental impacts of this ordinance were reviewed in the Environmental Assessment, which is the equivalent of a Draft Environmental Impact Report, conducted for the Housing Element and related General Plan elements which was adopted by the City Council on May 21, 2013. It can be seen with certainty that there is no possibility that the action identified in the ordinance will have a significant effect on the environment beyond what was analyzed in the Environmental Assessment. Therefore, this ordinance is exempt from CEQA.

SECTION 8. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 9. 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 on the twenty-first day of May, 2013.

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PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the fourth day of June, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Pamela Aguilar
Acting City Clerk

Peter Ohtaki
Mayor

ORDINANCE NO.

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
ADDING CHAPTER 16.98 [AFFORDABLE HOUSING OVERLAY] TO
TITLE 16 [ZONING] OF THE MENLO PARK MUNICIPAL CODE**

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

SECTION 1. The City Council of the City of Menlo Park hereby finds and declares as follows:

- A. The Affordable Housing Overlay encourages development of affordable housing by providing incentives to developers who agree to provide low, very-low and extremely low income housing that addresses the affordable housing need in the City of Menlo Park.
- B. The Housing Element included implementing program H4.C to adopt standards and incentives for an affordable housing overlay zone within 60 days of the adoption of the Housing Element.

SECTION 2. Chapter 16.98 [Affordable Housing Overlay] is hereby added to Title 16 [Zoning] of the Menlo Park Municipal Code to read as follows:

- Section 16.98.010 Purpose and Goal**
- Section 16.95.015 Applicability**
- Section 16.98.020 Affordable Housing Requirement**
- Section 16.98.030 Density Bonus**
- Section 16.98.040 Incentives**
- Section 16.98.050 Fee Waivers**
- Section 16.98.060 Continued Affordability**
- Section 16.98.070 Design**

Section 16.98.010 Purpose and Goal.

The purpose of the Affordable Housing Overlay (“AHO”) zone established by this Chapter is to encourage the development of affordable housing for low, very-low and extremely-low income households. The AHO serves to implement the Housing Element goal of providing new housing that addresses affordable housing needs in the City of Menlo Park by establishing development regulations for designated housing opportunity sites. The AHO is also intended to address those housing projects which provide a greater percentage of low and very-low income units than identified in Government Code Section 65915.

Section 16.95.015 Applicability.

This Chapter shall apply to the Menlo Park El Camino Real and Downtown Specific Plan area and those properties zoned R-4-S(AHO) (High Density Residential, Special - Affordable Housing Overlay).

Section 16.98.020 Affordable Housing Requirement.

- A. For smaller projects that propose more than five, but less than 100 residential dwelling units, to qualify for the AHO and the density bonus and incentives provided pursuant to this Chapter, a residential development project shall provide a minimum of 21 percent low income units or 12 percent very-low income units. If a smaller project proposes to provide both low and very-low income units, the minimum percentage of units to qualify for the AHO shall be more than the additive amount necessary to achieve a 35 percent density bonus as described in Government Code Section 65915. For example, a project that proposes to provide 10 percent low (20 percent density bonus) and five percent very-low (20 percent density bonus) would qualify for the AHO because the total additive density bonus under Government Code Section 65915 would be a 40 percent density bonus.
- B. For larger projects that propose 100 or more residential dwelling units, to qualify for the AHO and the density bonus and incentives provided pursuant to this Chapter, a residential development project shall provide a minimum of 21 percent low income units or 12 percent very-low income units. If a larger project proposes to provide both low and very-low income units, the minimum percentage of units to qualify for the AHO shall be the additive amount necessary to achieve more than a 35 percent density bonus. For purposes of this section 16.98.020.B, to determine the additive percent density bonus required to qualify for the AHO, the density bonus percentages shall be as described in Government Code Section 65915 and as described in Table 1 below. For example, a project that proposes to provide 10 percent low (20 percent density bonus pursuant to Government Code Section 65915) and four percent very-low income (17.5 percent density bonus pursuant to Table 1) would qualify for the AHO because the total additive density bonus pursuant to Government Code Section 65915 and Table 1 would be a 37.5 percent density bonus.

Table 1

| Low Income (%) | Density Bonus (%) |
|---------------------|-------------------|
| 5 | 12.5 |
| 6 | 14 |
| 7 | 15.5 |
| 8 | 17 |
| 9 | 18.5 |
| | |
| Very-Low Income (%) | Density Bonus (%) |
| 2 | 12.5 |
| 3 | 15 |
| 4 | 17.5 |
| | |

- C. The percentage of low or very-low income units shall be calculated as a percentage of the maximum base unit density of the property, not including any public benefit density. The low or very-low income percentage required to qualify for the AHO

shall not include the below market rate units required to be provided by for-sale residential development projects and commercial development projects pursuant to the City's Below Market Rate Housing Program, Chapter 16.96.

- D. Those projects located in the Menlo Park El Camino Real and Downtown Specific Plan area that qualify for the AHO shall be eligible for the density bonus and incentives identified in this Chapter. The density bonus applies only to the residential component of a project in the Menlo Park El Camino Real and Downtown Specific Plan area and does not act to entitle a project to more office, retail or other non-residential density.
- E. To qualify for the AHO, a project must accommodate a full range of income levels. At least 25 percent of the affordable units in a project must be very-low and/or extremely-low income units or at least 15 percent of the affordable units in a project must be extremely-low income.

Section 16.98.030 Density Bonus.

- A. Low Income. A project that provides 21 percent low income units shall be entitled to a 36.5 percent density bonus. For each additional percentage of low income units above 21 percent or above the percentage of low income units provided to qualify for the AHO where a mix of low and very-low income units is provided, the project shall be entitled to an additional 1.5 percent density bonus, up to the maximum density bonus identified in subsection C.
- B. Very Low Income. A project that provides 12 percent very-low income units shall be entitled to a 37.5 percent density bonus. For each additional percentage very-low income units above 12 percent or above the percentage of very-low income units provided to qualify for the AHO where a mix of low and very-low income units is provided, the project shall be entitled to an additional 2.5 percent density bonus, up to the maximum density bonus identified in subsection C.
- C. The maximum density bonus available pursuant to this Chapter, whether achieved by provision of low, very-low or a mix of low and very-low income units, is 60 percent. The density bonus percentages used to calculate the total additive density bonus for a project that proposes a mix of low and very-low income units shall be calculated pursuant to section 16.98.020 and this section 16.98.030. The density bonus provided pursuant to the AHO is not additive with and shall not be combined with the density bonus provided pursuant to State Density Bonus Law, Government Code Section 65915.
- D. For purposes of this Chapter, any decimal fraction of less than 0.5 shall be rounded down to the nearest whole number and any decimal fraction of 0.5 or more shall be rounded up to the nearest whole number.

Section 16.98.040 Incentives.

- A. Floor Area Ratio. A project shall be permitted to increase the floor area ratio by an amount that corresponds to the increase in allowable density identified in section 16.98.030 above and an additional five percent or other increase reasonably sufficient to make development of low and very-low income multiple-bedroom units and family housing feasible.
- B. Stories/Height. A project that is entitled to up to a 45 percent density bonus under this AHO shall be entitled to a maximum height of four stories, but not more than 48 feet. A project that is entitled to a density bonus above 45 percent under this AHO and in which at least 50 percent of the affordable units are very-low and extremely-low income or at least 25 percent of the affordable units are extremely-low income, shall be entitled to a maximum of five stories, but not more than 60 feet.
- C. Parking. Unless modified herein, the parking requirements in the underlying zoning designation of the property shall apply. The parking requirements in the AHO shall be modified for each affordable unit as follows:
1. Number of spaces:
 - a. A studio requires 0.8 parking spaces.
 - b. A one-bedroom requires one parking space.
 - c. A two-bedroom or larger unit requires 1.5 parking spaces.
 - d. For projects located in the Station Area or Station Area Sphere of Influence each affordable unit shall be granted a reduction of 0.2 parking spaces from the minimum that would otherwise be required.
 2. In the Menlo Park El Camino Real and Downtown Specific Plan area, projects qualifying for the AHO shall not be required to provide either the number of spaces per C.1., above, or as specified in the Menlo Park El Camino Real and Downtown Specific Plan, whichever is less.
 3. A senior citizen housing project as defined in Sections 51.3 and 51.12 of the Civil Code shall be required to provide no more than 0.8 parking spaces per dwelling unit.
 4. The spaces required for the affordable units need not be covered or located in a garage or carport.
 5. If two spaces are being provided for any one affordable dwelling unit, the spaces may be in tandem.
 6. Long-term bicycle parking shall be required at no more than 0.5 spaces per unit.
 7. Any requirement for electric vehicle parking or plug in hybrid recharging stations shall be reduced by 50 percent or may be met by providing an equivalent number of car sharing spaces.
- D. Contiguous parcels that touch or contiguous parcels in the same zone that are in close proximity may calculate density, floor area ratio, building coverage, paving, landscaping and required parking across the parcels, provided that there is a recorded agreement among the owner(s) of the parcels to transfer development

rights between the parcels such that the maximum overall density of the combined parcels is not exceeded.

- E. Coverage. In addition to the amount necessary to physically accommodate the increased density provided for by this Chapter, any applicable maximum building coverage and/or allowable paving requirement shall be increased by five percent and the minimum open space/landscaping requirement reduced by 10 percent from the underlying zoning designation.
- F. Setbacks. In addition to the amount necessary to physically accommodate the increased density provided for by this Chapter, required setbacks shall be reduced to five feet, except when the parcel subject to the AHO abuts a parcel zoned single-family residential, in which case the setbacks identified in underlying zoning shall control.
- G. Open Space. In addition to the amount necessary to physically accommodate the increased density provided for by this Chapter, any common and/or private open space may be reduced by up to 50 percent from the underlying zoning.
- H. Maximum Façade Height. Where an increase in the overall height is permitted to be above 40 feet, the building profile shall be set at a height of 32 feet and the maximum number of major step backs shall be one.
- I. The incentives provided pursuant to the AHO are not additive with and shall not be combined with the incentives provided pursuant to State Density Bonus Law, Government Code Section 65915.
- J. Specific Plan Exemptions. Notwithstanding the foregoing, certain requirements in the Menlo Park El Camino Real Downtown Specific Plan area shall not be modified pursuant to this Section 16.98.040:
 - 1. The maximum FAR shall be limited to the public benefit levels.
 - 2. The front and side setbacks facing a public right-of-way.
 - 3. Building façade height.
 - 4. Massing and modulation standards including, major portions of a building facing a street should be parallel to the street, building breaks, building façade modulation and building profile, and upper story façade length.

Section 16.98.050 Fee Waivers.

- A. Processing Fees. Those projects that provide at least 50 percent of the units in the base project for low income households or 20 percent for very-low income households shall be entitled to a fee waiver for all the processing fees associated with the various applications for development.

- B. Other Fees. Projects qualifying for the AHO shall be entitled to a reduction in all other fees in an amount that corresponds to the increase in allowable density identified in section 16.98.030 above. Any project requesting a reduction or waiver of the traffic impact fee, park dedication fee, building construction street impact fee, Menlo Park El Camino Real Downtown Specific Plan preparation fee, or other fee(s) in excess of that percentage reduction shall apply for the requested reduction or waiver, which shall be subject to a discretionary review and approval process. The City Council shall be the final decision maker regarding any such request.

Section 16.98.060 Continued Affordability.

Prior to issuance of building permits, the applicant shall execute an agreement with the City, to be executed by the City Manager without review by the Housing Commission, Planning Commission or City Council, in a form acceptable to the City Attorney ensuring the continued affordability of the affordable dwelling units for a period of not less than 55 years.

Section 16.98.070 Design.

Development utilizing the AHO shall be subject to compliance review relative to adopted objective design standards and such compliance shall be determined by the Community Development Director or his/her designee. Development in the Menlo Park El Camino Real Downtown Specific Plan area shall be subject to the architectural control process identified in the Menlo Park El Camino Real Downtown Specific Plan. No other discretionary action shall be required, unless the applicant requests a variance from the requirements of the AHO or requests architectural control for modification of the objective design standards. Low and very-low income units must be constructed concurrently with market-rate units and shall be integrated into the project and be comparable in construction quality and exterior design to any market rate units. The low and very-low income units may be smaller in size and have different interior finishes and features than market rate units so long as the features are durable, of good quality and consistent with contemporary standards for new housing as determined by the Community Development Director in his/her sole and absolute discretion. Notwithstanding the foregoing, the number of bedrooms in the low and very-low income units shall at minimum be consistent with the mix of market rate units. For example if the market rate units consist of 50 percent one-bedroom, 25 percent two-bedroom and 25 percent three-bedroom units, the low and very-low income units must match this breakdown. Applicants may elect to include a higher percentage of units with more bedrooms.

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

SECTION 4. This ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to the court ordered Judgment Pursuant to Stipulation ("Judgment") in Peninsula Interfaith Action, et al. v. City of Menlo Park, Case No

CIV513882, the City is required to bring its Housing Element and related elements of the General Plan into compliance with state law and the terms of the Settlement Agreement that was incorporated into the Judgment. The Judgment incorporates Government Code Section 65759, which provides that CEQA does not apply to any action necessary to bring the General Plan or relevant mandatory elements into compliance with any court order. This ordinance is required to bring the General Plan or relevant mandatory elements into compliance with State law and the court ordered Judgment. It is, therefore, not subject to CEQA.

If this ordinance were subject to CEQA, this ordinance is not a project pursuant to Public Resources Code Section 21080(a) and CEQA Guidelines Section 15002(i), which indicate that CEQA applies to discretionary projects carried out or approved by public agencies. This ordinance is ministerial in that the Housing Element indicates that the City “will” take the actions identified in this ordinance within 60 days of adoption of the Housing Element. When an initial approval (in this case the Housing Element) is sufficiently specific that any follow-up approval is limited to a determination of compliance with conditions or provisions set forth in the initial approval, then the follow-up approval is ministerial. *Health First v. March Joint Powers Auth.* (2009) 174 Cal.App.4th 1135. Finally, the rezoning for “by-right” development at higher densities is required pursuant to state law. Government Code Sections 65583 and 65583.2. For all of the foregoing reasons, there is no judgment or deliberation on the part of the decision makers and decision makers have no power to shape or change the actions identified in this ordinance in response to environmental review. As a ministerial action, this ordinance is not a project subject to CEQA.

Even if this ordinance were determined to be a discretionary project subject to CEQA, the “common sense exemption” which indicates CEQA applies only to projects that have the potential for causing a significant effect on the environment applies to exempt this ordinance from needless environmental review. CEQA Guidelines 15601(b)(3); *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal. 4th 372. The environmental impacts of this ordinance were reviewed in the Environmental Assessment, which is the equivalent of a Draft Environmental Impact Report, conducted for the Housing Element and related General Plan elements which was adopted by the City Council on May 21, 2013. It can be seen with certainty that there is no possibility that the action identified in the ordinance will have a significant effect on the environment beyond what was analyzed in the Environmental Assessment. Therefore, this ordinance is exempt from CEQA.

SECTION 5. This ordinance shall take effect 30 days after its passage and adoption. Within 15 days of its adoption this ordinance shall be posted in three 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 on the twenty-first day of May, 2013.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the fourth day of June, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Pamela Aguilar
Acting City Clerk

Peter Ohtaki
Mayor

ORDINANCE NO.

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
ADDING CHAPTER 16.97 [STATE DENSITY BONUS LAW] TO TITLE
16 [ZONING] OF THE MENLO PARK MUNICIPAL CODE**

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

SECTION 1. The City Council of the City of Menlo Park hereby finds and declares as follows:

- A. California Government Code Section 65915 (“State Density Bonus Law”) requires all cities to adopt an ordinance that specifies how compliance with State Density Bonus Law will be implemented.
- B. The Housing Element included implementing program H4.D to adopt standards to implement State Density Bonus Law within 60 days of the adoption of the Housing Element.

SECTION 2. Chapter 16.97 [State Density Bonus Law] is hereby added to Title 16 [Zoning] of the Menlo Park Municipal Code to read as follows:

- Section 16.97.010 Purpose**
- Section 16.97.020 Definitions**
- Section 16.97.030 Applicability**
- Section 16.97.040 Application Requirements**
- Section 16.97.050 Density Bonus**
- Section 16.97.060 Incentives**
- Section 16.97.070 Discretionary Approval Authority Retained**
- Section 16.97.080 Waivers**
- Section 16.97.085 Specific Plan Exemptions**
- Section 16.97.090 Affordable Housing Agreement**
- Section 16.97.100 Design and Quality**

Section 16.97.010 Purpose.

The purpose of this Chapter is to adopt an ordinance that specifies how compliance with Government Code Section 65915 (“State Density Bonus Law”) will be implemented in an effort to encourage the production of low income housing units in developments proposed within the City.

Section 16.97.020 Definitions.

Unless otherwise specified in this Chapter, the definitions found in State Density Bonus Law shall apply to the terms contained herein.

Section 16.97.030 Applicability.

This Chapter shall apply to all zoning districts, including mixed use zoning districts, where residential developments of five or more dwelling units are proposed and where the applicant seeks and agrees to provide low, very-low, senior or moderate income housing units in the threshold amounts specified in State Density Bonus Law such that the resulting density is beyond that which is permitted by the applicable zoning. This Chapter and State Density Bonus Law shall apply only to the residential component of a mixed use project and shall not operate to increase the allowable density of the non-residential component of any proposed project.

Section 16.97.040 Application Requirements.

- A. Any applicant requesting a density bonus, incentive(s) and/or waiver(s) pursuant to State Density Bonus Law shall provide the City with a written proposal. The proposal shall be submitted prior to or concurrently with the filing the planning application for the housing development and shall be processed in conjunction with the underlying application.
- B. The proposal for a density bonus, incentive(s) and/or waiver(s) pursuant to State Density Bonus Law shall include the following information:
 1. Requested density bonus. The specific requested density bonus proposal shall evidence that the project meets the thresholds for State Density Bonus Law. The proposal shall also include calculations showing the maximum base density, the number/percentage of affordable units and identification of the income level at which such units will be restricted, additional market rate units resulting from the density bonus allowable under State Density Bonus Law and the resulting unit per acre density. The density bonus units shall not be included in determining the percentage of base units that qualify a project for a density bonus pursuant to State Density Bonus Law.
 2. Requested incentive(s). The request for particular incentive(s) shall include a pro forma or other report evidencing that the requested incentive(s) results in identifiable, financially sufficient and actual cost reductions that are necessary to make the housing units economically feasible. The report shall be sufficiently detailed to allow the City to verify its conclusions. If the City requires the services of specialized financial consultants to review and corroborate the analysis, the applicant will be liable for all costs incurred in reviewing the documentation.
 3. Requested Waiver(s). The written proposal shall include an explanation of the waiver(s) of development standards requested and why they are

necessary to make the construction of the project physically possible. Any requested waiver(s) shall not exceed the limitations provided by Section 16.97.080 and to the extent such limitations are exceeded will be considered as a request for an incentive.

4. Fee. Payment of the fee in an amount set by resolution of the City Council to reimburse the City for staff time spent reviewing and processing the State Density Bonus Law application submitted pursuant to this Chapter.

Section 16.97.050 Density Bonus.

- A. A density bonus for a housing development means a density increase over the otherwise maximum allowable residential density under the applicable zoning and land use designation on the date the application is deemed complete. The amount of the allowable density bonus shall be calculated as provided in State Density Bonus Law. The applicant may select from only one of the income categories identified in State Density Bonus Law and may not combine density bonuses from different income categories to achieve a larger density bonus.
- B. In the sole discretion of the City Council, the City Council may approve a density bonus and/or incentive(s) in accordance with State Density Bonus Law for a project that does not maximize the underlying base zoning density. Additionally, nothing herein prevents the City from granting a greater density bonus and additional incentives or waivers than that provided for herein, or from providing a lesser density bonus and fewer incentives and waivers than that provided for herein, when the housing development does not meet the minimum thresholds.
- C. The density bonus provided pursuant to State Density Bonus Law is not additive with and shall not be combined with the density bonus provided pursuant to Chapter 16.98 [Affordable Housing Overlay].

Section 16.97.060 Incentives

- A. The number of incentives granted shall be based upon the number the applicant is entitled to pursuant to State Density Bonus Law.
- B. An incentive includes a reduction in site development standards or a modification of zoning code requirements or architectural requirements that result in identifiable, financially sufficient and actual cost reductions. An incentive may be the approval of mixed use zoning (e.g. commercial) in conjunction with a housing project if the mixed use will reduce the cost of the housing development and is compatible with the housing project. An incentive may, but need not be, the provision of a direct financial incentive, such as the waiver of fees.

- C. The City has specifically approved the following incentive for properties not located within the El Camino Real/Downtown Specific Plan boundary:
1. If the applicant proposes to put 50 percent of the required parking in a parking structure, then the applicant shall be eligible for a 10 percent increase in the base density for purposes of the calculations of maximum base density and percentage of affordable units required to apply State Density Bonus Law.
- D. A requested incentive may be denied only for those reasons provided in State Density Bonus Law. Denial of an incentive is a separate and distinct act from a decision to deny or approve the entirety of the project.

Section 16.97.070 Discretionary Approval Authority Retained.

The granting of a density bonus or incentive(s) shall not be interpreted in and of itself to require a general plan amendment, zoning change or other discretionary approval. If an incentive would otherwise trigger one of these approvals, when it is granted as an incentive, no general plan amendment, zoning change or other discretionary approval is required. However, if the base project without the incentive requires a general plan amendment, zoning change or other discretionary approval, the City retains discretion to make or not make the required findings for approval of the base project.

Section 16.97.080 Waivers.

A waiver is a modification to a development standard such that construction at the increased density would be physically possible. Modifications to floor area ratio in an amount equivalent to the percentage density bonus utilized shall be allowable as a waiver. Requests for an increase floor area ratio above that equivalent percentage shall be considered a request for an incentive. Other development standards, include, but are not limited to, a height limitation, a setback requirement, an onsite open space requirement, or a parking ratio that applies to a residential development. An applicant may request a waiver of any development standard to make the project physically possible to construct at the increased density. To be entitled to the requested waiver, the applicant must show that without the waiver, the project would be physically impossible to construct. There is no limit on the number of waivers.

Section 16.97.085 Specific Plan Exemptions.

The following requirements in the Menlo Park El Camino Real Downtown Specific Plan area shall not be modified as either an incentive or waiver pursuant to this Chapter:

- A. The maximum FAR shall be limited to the public benefit levels.
- B. The front and side setbacks facing a public right-of-way.

- C. Building façade height.
- D. Massing and modulation standards including, major portions of a building facing a street should be parallel to the street, building breaks, building façade modulation and building profile, and upper story façade length.

Section 16.97.090 Affordable Housing Agreement.

Prior to project approval, the applicant shall enter into an Affordable Housing Agreement with the City, to be executed by the City Manager without review by the Housing Commission, Planning Commission or City Council if the underlying application does not require review and/or approval by those bodies, to the satisfaction of the City Attorney guaranteeing the affordability of the rental or ownership units for a minimum of 30 years and identifying the type, size and location of each affordable unit. Such Affordable Housing Agreement shall be recorded in the San Mateo County Recorder's Office.

Section 16.97.100 Design and Quality.

- A. Affordable units must be constructed concurrently with market-rate units and shall be integrated into the project. Affordable units shall be of equal design and quality as the market rate units. Exteriors, including architecture and elevations, and floor plans of the affordable units shall be similar to the market rate units. Interior finishes and amenities may differ from those provided in the market rate units, but neither the workmanship nor the products may be of substandard or inferior quality as determined by the building official. The number of bedrooms in the affordable units shall be consistent with the mix of market rate units.
- B. Parking standards shall be modified as allowable under State Density Bonus Law and anything beyond those standards shall be considered a request for an incentive.

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

SECTION 4. This ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to the court ordered Judgment Pursuant to Stipulation ("Judgment") in Peninsula Interfaith Action, et al. v. City of Menlo Park, Case No CIV513882, the City is required to bring its Housing Element and related elements of the General Plan into compliance with state law and the terms of the Settlement Agreement that was incorporated into the Judgment. The Judgment incorporates Government Code Section 65759, which provides that CEQA does not apply to any action necessary to bring the General Plan or relevant mandatory elements into compliance with any court order. This ordinance is required to bring the General Plan

or relevant mandatory elements into compliance with State law and the court ordered Judgment. It is, therefore, not subject to CEQA.

If this ordinance were subject to CEQA, this ordinance is not a project pursuant to Public Resources Code Section 21080(a) and CEQA Guidelines Section 15002(i), which indicate that CEQA applies to discretionary projects carried out or approved by public agencies. This ordinance is ministerial in that the Housing Element indicates that the City “will” take the actions identified in this ordinance within 60 days of adoption of the Housing Element. When an initial approval (in this case the Housing Element) is sufficiently specific that any follow-up approval is limited to a determination of compliance with conditions or provisions set forth in the initial approval, then the follow-up approval is ministerial. *Health First v. March Joint Powers Auth.* (2009) 174 Cal.App.4th 1135. Finally, the rezoning for “by-right” development at higher densities is required pursuant to state law. Government Code Sections 65583 and 65583.2. For all of the foregoing reasons, there is no judgment or deliberation on the part of the decision makers and decision makers have no power to shape or change the actions identified in this ordinance in response to environmental review. As a ministerial action, this ordinance is not a project subject to CEQA.

Even if this ordinance were determined to be a discretionary project subject to CEQA, the “common sense exemption” which indicates CEQA applies only to projects that have the potential for causing a significant effect on the environment applies to exempt this ordinance from needless environmental review. CEQA Guidelines 15601(b)(3); *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal. 4th 372. The environmental impacts of this ordinance were reviewed in the Environmental Assessment, which is the equivalent of a Draft Environmental Impact Report, conducted for the Housing Element and related General Plan elements which was adopted by the City Council on May 21, 2013. It can be seen with certainty that there is no possibility that the action identified in the ordinance will have a significant effect on the environment beyond what was analyzed in the Environmental Assessment. Therefore, this ordinance is exempt from CEQA.

SECTION 5. This ordinance shall take effect 30 days after its passage and adoption. Within 15 days of its adoption this ordinance shall be posted in three 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 on the twenty-first day of May, 2013.

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PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the fourth day of June, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Pamela Aguilar
Acting City Clerk

Peter Ohtaki
Mayor

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AMENDING CHAPTER 16.20, R-3 [APARTMENT DISTRICT] AND CHAPTER 16.72 [OFF-STREET PARKING] OF TITLE 16 [ZONING] OF THE MENLO PARK MUNICIPAL CODE

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

SECTION 1. The City Council of the City of Menlo Park hereby finds and declares as follows:

- A. The City desires to amend Chapter 16.20 [Apartment] and 16.72 [Off-street Parking] to create opportunities for higher density housing in infill locations around the El Camino Real/Downtown Specific Plan area where proximity to services and transit is available.
- B. The Planning Commission held duly noticed public hearings on April 22, 2013 and April 29, 2013 to review and consider the proposed amendments to Chapters 16.20 and 16.72 of Title 16 of the Menlo Park Municipal Code, whereat all interested persons had the opportunity to appear and comment.
- C. The City Council held duly noticed public hearings on May 21, 2013 to review and consider the proposed amendments to Chapters 16.20 and 16.72 of Title 16 of the Menlo Park Municipal Code, whereat all interested persons had the opportunity to appear and comment.
- D. After due consideration of the proposed amendments to Title 16, public comments, the Planning Commission recommendation, and the staff report, the City Council finds that the proposed amendments to Title 16 support the Housing Element and are appropriate.

SECTION 2. Chapter 16.20 [Apartment] of Title 16 [Zoning] of the Menlo Park Municipal Code is hereby amended to read as follows:

Chapter 16.20

R-3 APARTMENT DISTRICT

Sections:

- 16.20.010 Permitted uses**
- 16.20.020 Conditional uses**
- 16.20.030 Development regulations**
- 16.20.040 Mitigation monitoring**

16.20.010 Permitted uses.

The following uses are permitted in the R-3 (Apartment) district:

- (1) Single-family dwellings;
- (2) Duplexes;
- (3) Three or more units on lots 10,000 square feet or more;
- (4) Accessory buildings.

16.20.020 Conditional Uses.

Conditional uses allowed in the R-3 district, subject to obtaining a use permit or, in the case of home occupations, a home occupation permit, are as follows:

- (1) Three or more dwelling units on lots less than 10,000 square feet;
- (2) Public utilities in accordance with Chapter 16.76;
- (3) Private schools and churches in accordance with Chapter 16.78;
- (4) Child day care centers in accordance with Chapter 16.78;
- (5) Home occupations in accordance with Section 16.04.340;
- (6) Foster homes;
- (7) Boardinghouses;
- (8) Convalescent homes;
- (9) Senior day care facilities.

16.20.030 Development regulations.

Development regulations are as follows in the R-3 district:

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Table 1

Ordinance No.

| | | All R-3 zoned Properties Except for Lots 10,000 sq. ft. or More in the Area Around the El Camino Real/Downtown Specific Plan Area | Lot Area of 10,000 sq. ft. or More for Property Around the El Camino Real/Downtown Specific Plan Area¹ | |
|--|--|--|--|---------------|
| Minimum Lot Area | | 7,000 sq. ft. | 10,000 sq. ft. | |
| Minimum Lot Dimensions | | 70 ft. wide by 100 ft. deep (lots < 10,000 sq. ft. in area) 80 ft. wide by 100 ft. deep (lots ≥ 10,000 sf. ft. in area) | 80 ft. wide by 100 ft. deep | |
| Land Area Required Per Dwelling Unit | | See Table 2 below | Minimum | 3,333 sq. ft. |
| | | | Maximum | 1,452 sq. ft. |
| Minimum Yards | Front | 15% of lot width; min. 20 ft. | 20 ft. | |
| | Interior Side | 10 ft. | 10 ft. | |
| | Corner Side | 15 ft. | 15 ft. | |
| | Rear | 15% of lot width; min. 15 ft. | 15 ft. | |
| | Distance between main buildings on same lot | 1/2 sum of the height of the buildings, 20 ft. min. | N/A | |
| | Distance between main buildings located on one property and adjacent property | 20 ft. | N/A | |
| Maximum Floor Area Ratio | | 45% | Floor area ratio shall decrease on an even gradient from 75% for 30 du/ac to 35% for 13.1 du/ac | |
| Maximum Building Coverage | | 30% | 40% | |
| Maximum Driveways and Open Parking Areas (Paving)² | | 20% | 35% | |
| Minimum Open Space (Landscaping) | | 50% | 25% | |
| Height | | 35 ft. | 13.1 du/ac | 35 ft. |
| | | | 20 du/ac or greater | 40 ft. |
| Building Profile | | None | Starting at a height of 28 feet, a 45-degree building profile shall be set at the minimum setback line contiguous with a public right-of-way or single-family zoned property or public park. | |
| Parking | | 2 spaces per unit, one of which must be covered, and not located in a required front or side yard | 2 or more bedrooms per unit | 2 spaces |
| | | | Up to 1 bedroom per unit | 1.5 spaces |
| | | | Each unit must have at least one covered space. Parking spaces cannot be located in the required front yard | |

¹For the purposes of Chapter 16.20.030, the area around the Downtown/El Camino Real is defined in three distinct areas as follows, and is only applicable to properties zoned R-3 that are 10,000 sq. Ft. Or more.

Area 1: Area bounded by University Avenue, Valparaiso Avenue, El Camino Real and Oak Grove Avenue.

Area 2: Area bounded by Arbor Road, Santa Cruz Avenue, El Camino Real and Middle Avenue.

Area 3: Area generally bounded by San Antonio Street and Alma Street, Encinal Avenue, Marcussen Drive and Ravenswood Avenue.

² Permeable pavers may count as 50 percent towards the paving requirement, except for on lots 10,000 sq. ft. or more located around the El Camino Real/Downtown Specific Plan Area.

Table 2

| TOTAL LOT AREA | LAND AREA REQUIRED PER DWELLING UNIT |
|---------------------------|---|
| 7,000 - 19,999 sq. ft. | 3,333 sq. ft. |
| 20,000 - 29,999 sq. ft. | 3,100 sq. ft. |
| 30,000 - 39,999 sq. ft. | 2,900 sq. ft. |
| 40,000 - 59,999 sq. ft. | 2,700 sq. ft. |
| 60,000 - 69,999 sq. ft. | 2,600 sq. ft. |
| 70,000 - 79,999 sq. ft. | 2,500 sq. ft. |
| 80,000 - 89,999 sq. ft. | 2,400 sq. ft. |
| 90,000 sq. ft. or more | 2,350 sq. ft. |

- (1) Notwithstanding the provisions of Table 1 herein, any given lot in excess of five thousand square feet in area shall be permitted a minimum of two units;
- (2) Any development containing twenty or more units, or encompassing one acre or more, may be expected to include a quantity of moderate and/or low cost units, ranging from five percent to twenty percent of the total units, depending on the specific development;
- (3) In the case of conditional uses, additional regulations may be required by the planning commission.

16.20.040 Mitigation Monitoring.

All development on lots 10,000 square feet or more and located within the identified areas around the El Camino Real/Downtown Specific Plan area shall comply, at a minimum, with the Mitigation Monitoring and Report Program (MMRP) established through Resolution No. 6149 associated with the Housing Element Update, General Plan Consistency Update, and Zoning Ordinance Amendments Environmental Assessment prepared for the Housing Element adopted on May 21, 2013.

SECTION 3. Chapter 16.72 [Off-Street Parking] of Title 16 [Zoning] of the Menlo Park Municipal Code is hereby amended to read as follows:

16.72.020 R district uses. R district parking uses are as follows:

- (1) Dwellings: Two spaces per unit, not in any required front or side yard, at least one of which shall be in a garage or carport, unless otherwise specified.

SECTION 4. This ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to the court ordered Judgment Pursuant to Stipulation ("Judgment") in Peninsula Interfaith Action, et al. v. City of Menlo Park, Case No CIV513882, the City is required to bring its Housing Element and related elements of the General Plan into compliance with state law and the terms of the Settlement Agreement that was incorporated into the Judgment. The Judgment incorporates Government Code Section 65759, which provides that CEQA does not apply to any

action necessary to bring the General Plan or relevant mandatory elements into compliance with any court order. This ordinance is required to bring the General Plan or relevant mandatory elements into compliance with State law and the court ordered Judgment. It is, therefore, not subject to CEQA.

If this ordinance were subject to CEQA, this ordinance is not a project pursuant to Public Resources Code Section 21080(a) and CEQA Guidelines Section 15002(i), which indicate that CEQA applies to discretionary projects carried out or approved by public agencies. This ordinance is ministerial in that the Housing Element indicates that the City “will” take the actions identified in this ordinance within 60 days of adoption of the Housing Element. When an initial approval (in this case the Housing Element) is sufficiently specific that any follow-up approval is limited to a determination of compliance with conditions or provisions set forth in the initial approval, then the follow-up approval is ministerial. *Health First v. March Joint Powers Auth.* (2009) 174 Cal.App.4th 1135. Finally, the rezoning for “by-right” development at higher densities is required pursuant to state law. Government Code Sections 65583 and 65583.2. For all of the foregoing reasons, there is no judgment or deliberation on the part of the decision makers and decision makers have no power to shape or change the actions identified in this ordinance in response to environmental review. As a ministerial action, this ordinance is not a project subject to CEQA.

Even if this ordinance were determined to be a discretionary project subject to CEQA, the “common sense exemption” which indicates CEQA applies only to projects that have the potential for causing a significant effect on the environment applies to exempt this ordinance from needless environmental review. CEQA Guidelines 15601(b)(3); *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal. 4th 372. The environmental impacts of this ordinance were reviewed in the Environmental Assessment, which is the equivalent of a Draft Environmental Impact Report, conducted for the Housing Element and related General Plan elements which was adopted by the City Council on May 21, 2013. It can be seen with certainty that there is no possibility that the action identified in the ordinance will have a significant effect on the environment beyond what was analyzed in the Environmental Assessment. Therefore, this ordinance is exempt from CEQA.

SECTION 5. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 6. 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 on the twenty-first day of May, 2013.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of the City Council of the City of Menlo Park on the fourth day of June, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Pamela Aguilar
Acting City Clerk

Peter Ohtaki
Mayor

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK REZONING PROPERTIES LOCATED AT 1221-1275 AND 1317-
1385 WILLOW ROAD**

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

SECTION 1. The City Council of the City of Menlo Park hereby finds and declares as follows:

- A. The rezoning of properties located at 1221-1275 and 1317-1385 Willow Road would provide the opportunity to develop higher density housing to accommodate the housing need in the City of Menlo Park.
- B. The rezoning of properties located at 1221-1275 and 1317-1385 Willow Road is consistent with the intent of the Housing Element to use available land resources as efficiently as possible while addressing local housing needs.

SECTION 2. The zoning map of the City of Menlo Park is hereby amended such that certain real properties with the addresses of 1221-1275 and 1317-1385 Willow Road (Assessor's Parcel Numbers 062-103-610 and 055-383-560) are rezoned from R-3 (Apartment District) to R-4-S (AHO) (High Density Residential, Special - Affordable Housing Overlay) as more particularly described and shown in Exhibit "A." This rezoning is consistent with the General Plan land use designation of High Density Residential for the property.

SECTION 3. This ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to the court ordered Judgment Pursuant to Stipulation ("Judgment") in Peninsula Interfaith Action, et al. v. City of Menlo Park, Case No CIV513882, the City is required to bring its Housing Element and related elements of the General Plan into compliance with state law and the terms of the Settlement Agreement that was incorporated into the Judgment. The Judgment incorporates Government Code Section 65759, which provides that CEQA does not apply to any action necessary to bring the General Plan or relevant mandatory elements into compliance with any court order. This ordinance is required to bring the General Plan or relevant mandatory elements into compliance with State law and the court ordered Judgment. It is, therefore, not subject to CEQA.

If this ordinance were subject to CEQA, this ordinance is not a project pursuant to Public Resources Code Section 21080(a) and CEQA Guidelines Section 15002(i), which indicate that CEQA applies to discretionary projects carried out or approved by public agencies. This ordinance is ministerial in that the Housing Element indicates that the City "will" take the actions identified in this ordinance within 60 days of adoption of the Housing Element. When an initial approval (in this case the Housing Element) is sufficiently specific that any follow-up approval is limited to a determination of compliance with conditions or provisions set forth in the initial approval, then the follow-

up approval is ministerial. *Health First v. March Joint Powers Auth.* (2009) 174 Cal.App.4th 1135. Finally, the rezoning for “by-right” development at higher densities is required pursuant to state law. Government Code Sections 65583 and 65583.2. For all of the foregoing reasons, there is no judgment or deliberation on the part of the decision makers and decision makers have no power to shape or change the actions identified in this ordinance in response to environmental review. As a ministerial action, this ordinance is not a project subject to CEQA.

Even if this ordinance were determined to be a discretionary project subject to CEQA, the “common sense exemption” which indicates CEQA applies only to projects that have the potential for causing a significant effect on the environment applies to exempt this ordinance from needless environmental review. CEQA Guidelines 15601(b)(3); *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal. 4th 372. The environmental impacts of this ordinance were reviewed in the Environmental Assessment, which is the equivalent of a Draft Environmental Impact Report, conducted for the Housing Element and related General Plan elements which was adopted by the City Council on May 21, 2013. It can be seen with certainty that there is no possibility that the action identified in the ordinance will have a significant effect on the environment beyond what was analyzed in the Environmental Assessment. Therefore, this ordinance is exempt from CEQA.

SECTION 4. 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 on the twenty-first day of May, 2013.

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PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the fourth day of June 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

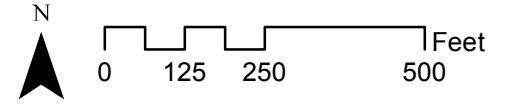
ATTEST:

APPROVED:

Pamela Aguilar
Acting City Clerk

Peter Ohtaki
Mayor

CITY OF MENLO PARK



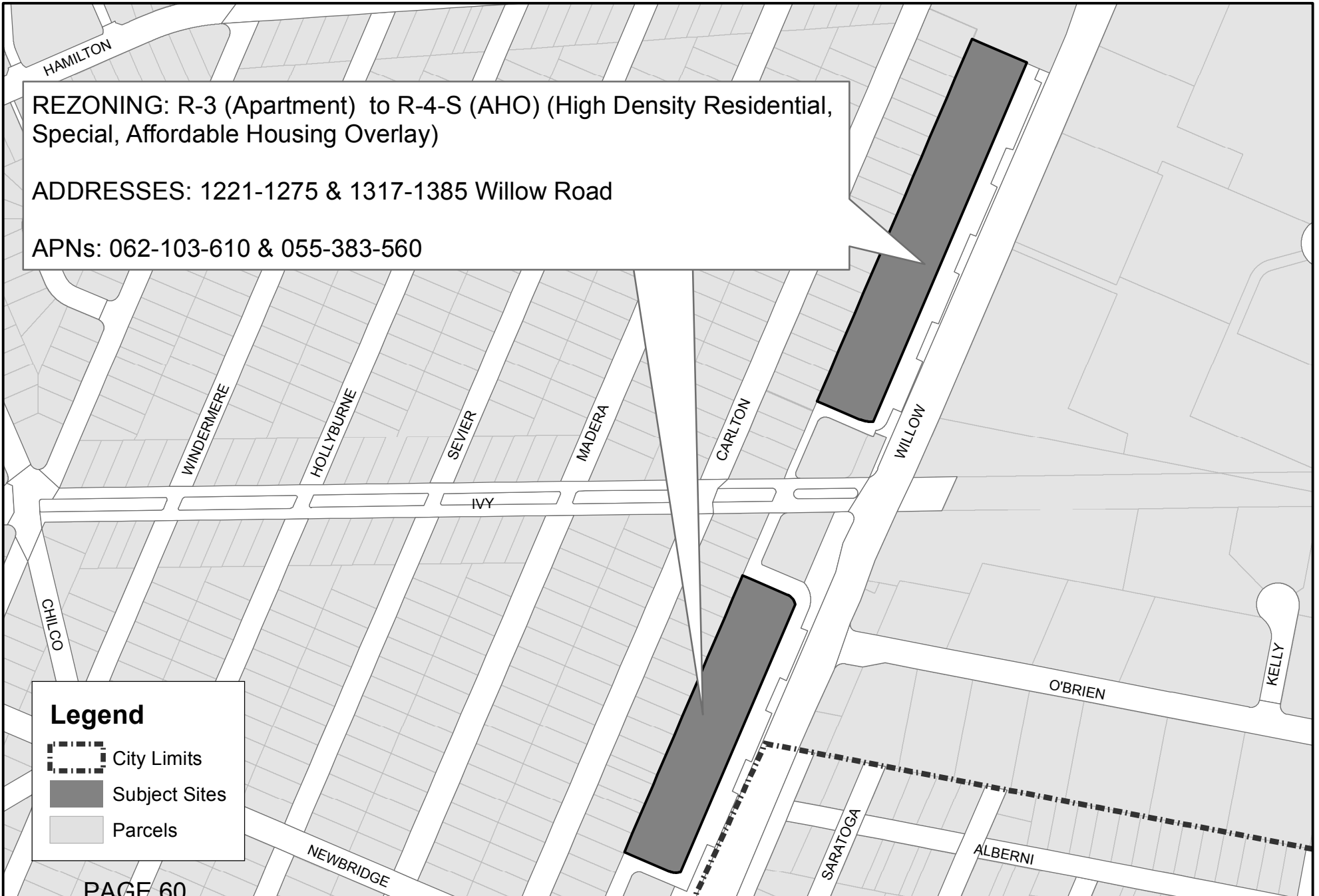
REZONING: R-3 (Apartment) to R-4-S (AHO) (High Density Residential, Special, Affordable Housing Overlay)

ADDRESSES: 1221-1275 & 1317-1385 Willow Road

APNs: 062-103-610 & 055-383-560

Legend

- City Limits
- Subject Sites
- Parcels



ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK REZONING PROPERTIES LOCATED AT 631, 711-721, 735-763, 767, 771, 777-821 AND 831-851 HAMILTON AVENUE

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

SECTION 1. The City Council of the City of Menlo Park hereby finds and declares as follows:

- A. The rezoning of properties located at 631, 711-721, 735-763, 767, 771, 777-821 and 831-851 Hamilton Avenue would provide the opportunity to develop higher density housing to accommodate the housing need in the City of Menlo Park.
- B. The rezoning of properties located at 631, 711-721, 735-763, 767, 771, 777-821 and 831-851 Hamilton Avenue is consistent with the intent of the Housing Element to use available land resources as efficiently as possible while addressing local housing needs.

SECTION 2. The zoning map of the City of Menlo Park is hereby amended such that certain real properties with the addresses of 631, 711-721, 735-763, 767, 771, 777-821 and 831-851 Hamilton Avenue (Assessor's Parcel Numbers 055-374-120, 055-396-070, 055-396-040, 055-396-060, 055-397-010, 055-397-020, 055-397-030, 055-397-040, 055-397-050, 055-398-240, 055-398-010, 055-398-260, 055-398-030, 055-398-040, 055-398-050, 055-398-060, 055-398-070, 055-398-080, 055-398-090, 055-398-100 and 055-398-110) are rezoned from M-1 (Light Industrial District) to R-4-S (High Density Residential, Special) as more particularly described and shown in Exhibit "A." This rezoning is consistent with the General Plan land use designation of High Density Residential for the property.

SECTION 3. This ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to the court ordered Judgment Pursuant to Stipulation ("Judgment") in Peninsula Interfaith Action, et al. v. City of Menlo Park, Case No CIV513882, the City is required to bring its Housing Element and related elements of the General Plan into compliance with state law and the terms of the Settlement Agreement that was incorporated into the Judgment. The Judgment incorporates Government Code Section 65759, which provides that CEQA does not apply to any action necessary to bring the General Plan or relevant mandatory elements into compliance with any court order. This ordinance is required to bring the General Plan or relevant mandatory elements into compliance with State law and the court ordered Judgment. It is, therefore, not subject to CEQA.

If this ordinance were subject to CEQA, this ordinance is not a project pursuant to Public Resources Code Section 21080(a) and CEQA Guidelines Section 15002(i), which indicate that CEQA applies to discretionary projects carried out or approved by public agencies. This ordinance is ministerial in that the Housing Element indicates that

the City “will” take the actions identified in this ordinance within 60 days of adoption of the Housing Element. When an initial approval (in this case the Housing Element) is sufficiently specific that any follow-up approval is limited to a determination of compliance with conditions or provisions set forth in the initial approval, then the follow-up approval is ministerial. *Health First v. March Joint Powers Auth.* (2009) 174 Cal.App.4th 1135. Finally, the rezoning for “by-right” development at higher densities is required pursuant to state law. Government Code Sections 65583 and 65583.2. For all of the foregoing reasons, there is no judgment or deliberation on the part of the decision makers and decision makers have no power to shape or change the actions identified in this ordinance in response to environmental review. As a ministerial action, this ordinance is not a project subject to CEQA.

Even if this ordinance were determined to be a discretionary project subject to CEQA, the “common sense exemption” which indicates CEQA applies only to projects that have the potential for causing a significant effect on the environment applies to exempt this ordinance from needless environmental review. CEQA Guidelines 15601(b)(3); *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal. 4th 372. The environmental impacts of this ordinance were reviewed in the Environmental Assessment, which is the equivalent of a Draft Environmental Impact Report, conducted for the Housing Element and related General Plan elements which was adopted by the City Council on May 21, 2013. It can be seen with certainty that there is no possibility that the action identified in the ordinance will have a significant effect on the environment beyond what was analyzed in the Environmental Assessment. Therefore, this ordinance is exempt from CEQA.

SECTION 4. 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 on the twenty-first day of May, 2013.

** REMAINDER OF PAGE LEFT BLANK INTENTIONALLY **

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the fourth day of June 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

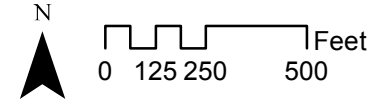
ATTEST:

APPROVED:

Pamela Aguilar
Acting City Clerk

Peter Ohtaki
Mayor

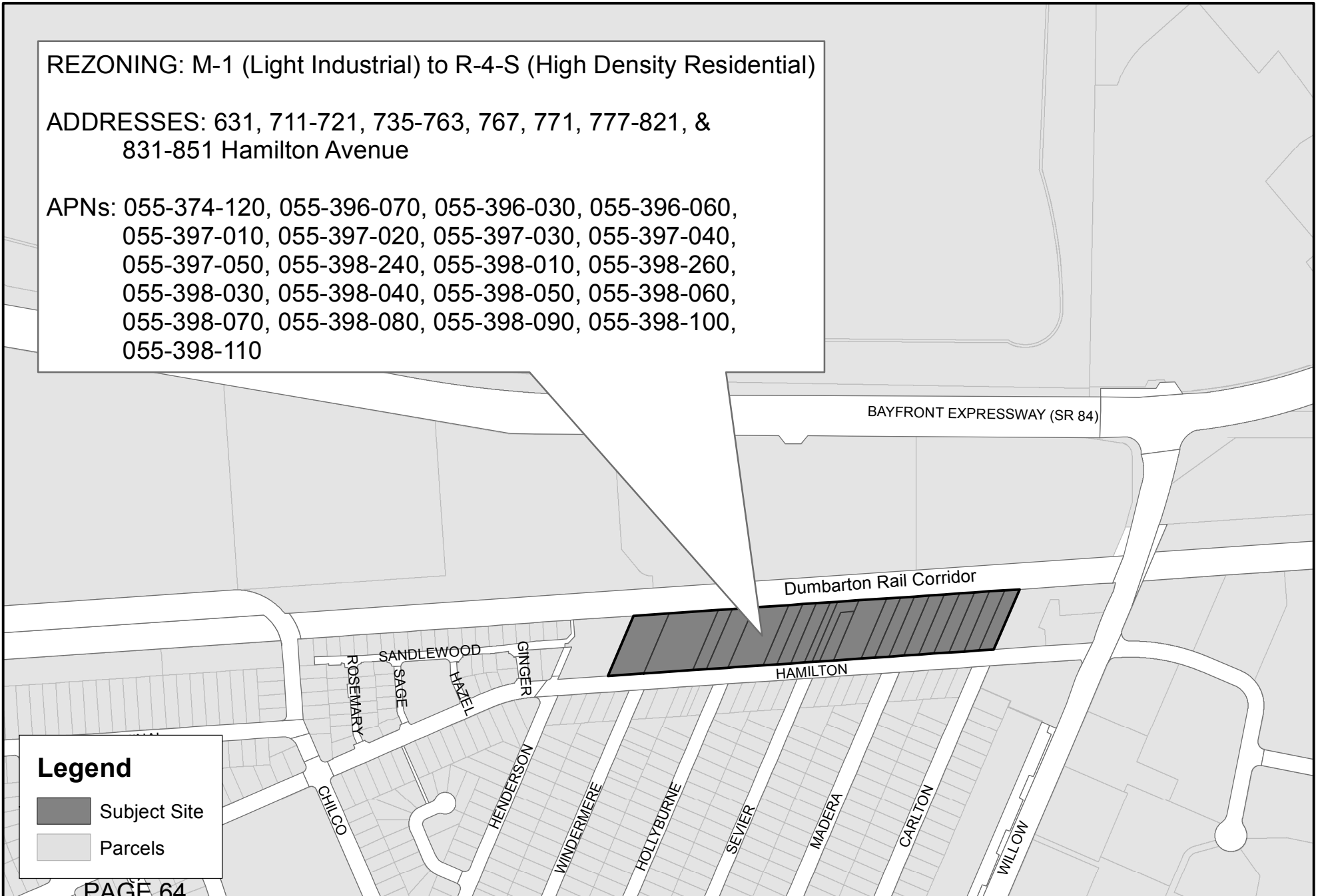
CITY OF MENLO PARK





REZONING: M-1 (Light Industrial) to R-4-S (High Density Residential)

ADDRESSES: 631, 711-721, 735-763, 767, 771, 777-821, & 831-851 Hamilton Avenue

APNs: 055-374-120, 055-396-070, 055-396-030, 055-396-060, 055-397-010, 055-397-020, 055-397-030, 055-397-040, 055-397-050, 055-398-240, 055-398-010, 055-398-260, 055-398-030, 055-398-040, 055-398-050, 055-398-060, 055-398-070, 055-398-080, 055-398-090, 055-398-100, 055-398-110



Legend

-  Subject Site
-  Parcels

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO
PARK REZONING PROPERTIES LOCATED AT 3605-3665 HAVEN
AVENUE**

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

SECTION 1. The City Council of the City of Menlo Park hereby finds and declares as follows:

- A. The rezoning of properties located at 3605-3665 Haven Avenue would provide the opportunity to develop higher density housing to accommodate the housing need in the City of Menlo Park.
- B. The rezoning of properties located at 3605-3665 Haven Avenue is consistent with the intent of the Housing Element to use available land resources as efficiently as possible while addressing local housing needs.

SECTION 2. The zoning map of the City of Menlo Park is hereby amended such that certain real properties with the addresses of 3605-3665 Haven Avenue (Assessor's Parcel Numbers 055-170-260, 055-170-200, 055-170-190, 055-170-270, 055-170-180, 055-170-320, 055-170-330, 055-170-210, 055-170-220, 055-170-080, 055-170-070 and 055-170-060) are rezoned from M-2 (General Industrial District) to R-4-S (AHO) (High Density Residential, Special - Affordable Housing Overlay) as more particularly described and shown in Exhibit "A." This rezoning is consistent with the General Plan land use designation of High Density Residential for the property.

SECTION 3. This ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to the court ordered Judgment Pursuant to Stipulation ("Judgment") in Peninsula Interfaith Action, et al. v. City of Menlo Park, Case No CIV513882, the City is required to bring its Housing Element and related elements of the General Plan into compliance with state law and the terms of the Settlement Agreement that was incorporated into the Judgment. The Judgment incorporates Government Code Section 65759, which provides that CEQA does not apply to any action necessary to bring the General Plan or relevant mandatory elements into compliance with any court order. This ordinance is required to bring the General Plan or relevant mandatory elements into compliance with State law and the court ordered Judgment. It is, therefore, not subject to CEQA.

If this ordinance were subject to CEQA, this ordinance is not a project pursuant to Public Resources Code Section 21080(a) and CEQA Guidelines Section 15002(i), which indicate that CEQA applies to discretionary projects carried out or approved by public agencies. This ordinance is ministerial in that the Housing Element indicates that the City "will" take the actions identified in this ordinance within 60 days of adoption of the Housing Element. When an initial approval (in this case the Housing Element) is sufficiently specific that any follow-up approval is limited to a determination of

compliance with conditions or provisions set forth in the initial approval, then the follow-up approval is ministerial. *Health First v. March Joint Powers Auth.* (2009) 174 Cal.App.4th 1135. Finally, the rezoning for “by-right” development at higher densities is required pursuant to state law. Government Code Sections 65583 and 65583.2. For all of the foregoing reasons, there is no judgment or deliberation on the part of the decision makers and decision makers have no power to shape or change the actions identified in this ordinance in response to environmental review. As a ministerial action, this ordinance is not a project subject to CEQA.

Even if this ordinance were determined to be a discretionary project subject to CEQA, the “common sense exemption” which indicates CEQA applies only to projects that have the potential for causing a significant effect on the environment applies to exempt this ordinance from needless environmental review. CEQA Guidelines 15601(b)(3); *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal. 4th 372. The environmental impacts of this ordinance were reviewed in the Environmental Assessment, which is the equivalent of a Draft Environmental Impact Report, conducted for the Housing Element and related General Plan elements which was adopted by the City Council on May 21, 2013. It can be seen with certainty that there is no possibility that the action identified in the ordinance will have a significant effect on the environment beyond what was analyzed in the Environmental Assessment. Therefore, this ordinance is exempt from CEQA.

SECTION 4. 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 on the twenty-first day of May, 2013.

** REMAINDER OF PAGE LEFT BLANK INTENTIONALLY **

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said Council on the fourth day of June 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

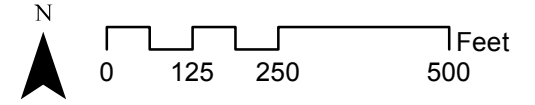
ATTEST:

APPROVED:

Pamela Aguilar
Acting City Clerk

Peter Ohtaki
Mayor

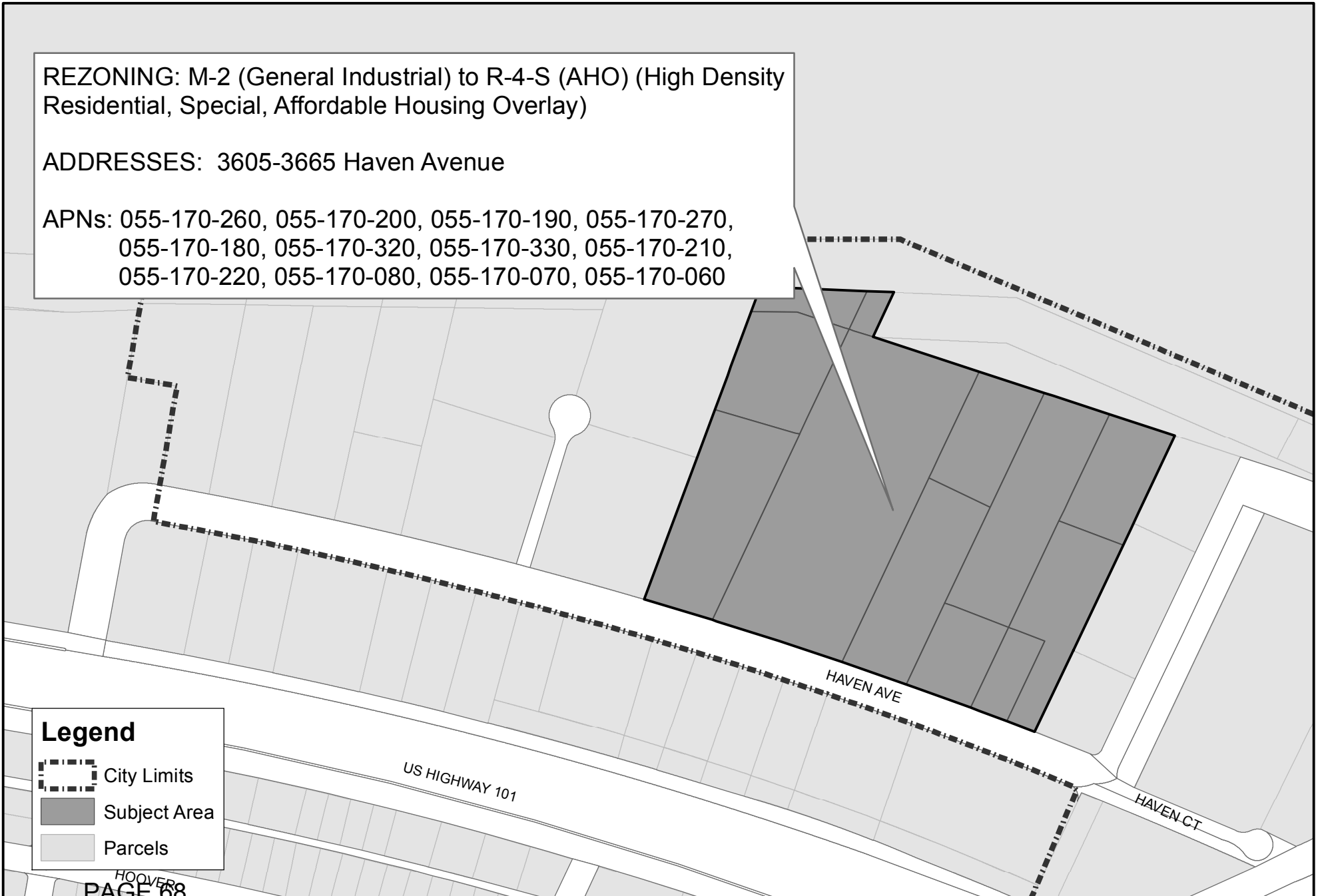
CITY OF MENLO PARK



REZONING: M-2 (General Industrial) to R-4-S (AHO) (High Density Residential, Special, Affordable Housing Overlay)

ADDRESSES: 3605-3665 Haven Avenue

APNs: 055-170-260, 055-170-200, 055-170-190, 055-170-270,
055-170-180, 055-170-320, 055-170-330, 055-170-210,
055-170-220, 055-170-080, 055-170-070, 055-170-060



Legend

- City Limits
- Subject Area
- Parcels

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF MENLO PARK AMENDING CHAPTER 16.43 [C-4 GENERAL COMMERCIAL DISTRICT (APPLICABLE TO EL CAMINO REAL)], CHAPTER 16.44 [M-1 LIGHT INDUSTRIAL DISTRICT] AND CHAPTER 16.57 [P-D DISTRICT] OF TITLE 16 [ZONING] THE MENLO PARK MUNICIPAL CODE

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

SECTION 1. The City Council of the City of Menlo Park hereby finds and declares as follows:

- A. The City desires to delete Chapter 16.43 [C-4 General Commercial (applicable To El Camino Real), Chapter 16.44 [M-1 Light Industrial], and Chapter 16.57 [P-D] of Title 16 [Zoning] to eliminate zoning districts for which no properties are zoned.
- B. The Planning Commission held duly noticed public hearings on April 22, 2013 and April 29, 2013 to review and consider the proposed deletions, whereat all interested persons had the opportunity to appear and comment.
- C. The City Council held duly noticed public hearings on May 21, 2013 to review and consider the proposed deletions, whereat all interested persons had the opportunity to appear and comment.
- D. After due consideration of the proposed deletions, public comments, the recommendation of the Planning Commission, and the staff report, the City Council finds that the proposed deletions are appropriate.

SECTION 2. Chapter 16.43 [C-4 General Commercial (applicable To El Camino Real), Chapter 16.44 [M-1 Light Industrial], and Chapter 16.57 [P-D] of Title 16 [Zoning] of the Menlo Park Municipal Code are hereby deleted in their entirety.

SECTION 3. Title 16, Zoning, of the Menlo Park Municipal Code is hereby amended to delete any and all Sections and references related to the deleted zoning districts identified in Section 2 above.

SECTION 4. Title 16, Zoning, of the Menlo Park Municipal Code is hereby amended to delete any and all references to the phrase "other than El Camino Real" associated with Chapter 16.42 C-4 General Commercial District.

SECTION 5. This ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to the court ordered Judgment Pursuant to Stipulation ("Judgment") in Peninsula Interfaith Action, et al. v. City of Menlo Park, Case No

CIV513882, the City is required to bring its Housing Element and related elements of the General Plan into compliance with state law and the terms of the Settlement Agreement that was incorporated into the Judgment. The Judgment incorporates Government Code Section 65759, which provides that CEQA does not apply to any action necessary to bring the General Plan or relevant mandatory elements into compliance with any court order. This ordinance is required to bring the General Plan or relevant mandatory elements into compliance with State law and the court ordered Judgment. It is, therefore, not subject to CEQA.

If this ordinance were subject to CEQA, this ordinance is not a project pursuant to Public Resources Code Section 21080(a) and CEQA Guidelines Section 15002(i), which indicate that CEQA applies to discretionary projects carried out or approved by public agencies. This ordinance is ministerial in that the Housing Element indicates that the City “will” take the actions identified in this ordinance within 60 days of adoption of the Housing Element. When an initial approval (in this case the Housing Element) is sufficiently specific that any follow-up approval is limited to a determination of compliance with conditions or provisions set forth in the initial approval, then the follow-up approval is ministerial. *Health First v. March Joint Powers Auth.* (2009) 174 Cal.App.4th 1135. Finally, the rezoning for “by-right” development at higher densities is required pursuant to state law. Government Code Sections 65583 and 65583.2. For all of the foregoing reasons, there is no judgment or deliberation on the part of the decision makers and decision makers have no power to shape or change the actions identified in this ordinance in response to environmental review. As a ministerial action, this ordinance is not a project subject to CEQA.

Even if this ordinance were determined to be a discretionary project subject to CEQA, the “common sense exemption” which indicates CEQA applies only to projects that have the potential for causing a significant effect on the environment applies to exempt this ordinance from needless environmental review. CEQA Guidelines 15601(b)(3); *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal. 4th 372. The environmental impacts of this ordinance were reviewed in the Environmental Assessment, which is the equivalent of a Draft Environmental Impact Report, conducted for the Housing Element and related General Plan elements which was adopted by the City Council on May 21, 2013. It can be seen with certainty that there is no possibility that the action identified in the ordinance will have a significant effect on the environment beyond what was analyzed in the Environmental Assessment. Therefore, this ordinance is exempt from CEQA.

SECTION 6. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 7. 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 on the twenty-first day of May, 2013.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of the City Council of the City of Menlo Park on the fourth day of June, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Pamela Aguilar
Acting City Clerk

Peter Ohtaki
Mayor

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**CITY COUNCIL
SPECIAL MEETING **DRAFT** MINUTES**

Tuesday, March 26, 2013 at 6:00 p.m.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers

Mayor Ohtaki called the Study Session to order at 6:03 p.m. with all members present.

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](#))

Staff presentation by Charles Taylor, Director of Public Works ([PowerPoint](#))

Public Comment

- Henry Riggs addressed streamlining processes, El Camino Real, residential zoning, and a potential parking structure.
- Fran Dehn, Chamber of Commerce, discussed that there are goals that are not reflected in the 5-year Capital Improvement Plan (CIP). She asked that Santa Cruz be looked at like a project.
- Elizabeth Houck asked if the irrigation wells are included in the CIP and at what location(s).

Council Members provided feedback to staff regarding the CIP.

Mayor Ohtaki called the Regular Session to order at 7:13 p.m. with all members present.

ANNOUNCEMENTS

There were no announcements made.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation declaring March Red Cross Month ([Attachment](#))

Mayor Ohtaki presented the proclamation to Matt Martel representing the Red Cross.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

There were no appointments or reports made.

C. PUBLIC COMMENT #1

NOTE: Vice Mayor Mueller is recused from discussion on the Stanford Property and left the Council meeting during public comments on that topic.

- Elizabeth Houck spoke regarding the underground AT&T Data Center across from her home which emits over 65 decibels 365 days a year and requested the council consider moving the high power lines that feed the data center to an alternative location. She would like to see traffic calming on Middle Avenue.
- Gita Dev, Sierra Club, requested that the Downtown Specific Plan be added to a future agenda for the one year review.
- Susan Connelly requested the Downtown Specific Plan concerning the Stanford owned property be added to a future meeting.

- Matt Henry asked the Council to include his proposal for a feasibility study regarding a Library in Belle Haven in the 5-year Capital Improvement Plan.
- Cherie Zaslowsky requested that the City Council modify the General Plan and the Specific Plan.

D. CONSENT CALENDAR

ACTION: Motion and second (Carlton/Keith) to approve consent calendar items D1, D3, and D7 passes unanimously.

D1. Adopt **Resolution No. 6127** 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](#))

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](#))

D7. Agenda item request for the City of Menlo Park to join the South Bay Waste Management Authority (SBWMA) Blue Ribbon Task Force ([Attachment](#))

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](#))

Item pulled by Council Member Keith for comments

ACTION: Motion and second (Keith/Carlton) to approve **Resolution No. 6128** to approve an amendment to the water supply agreement with the City and County of San Francisco.

D4. Approve two League of California Cities bylaws amendments ([Staff report #13-039](#))

Item pulled by Council Member Catherine Carlton

ACTION: Motion and second (Carlton/Cline) to approve bylaw amendment one and not to approve bylaw amendment two. The motion was withdrawn by Council Member Carlton.

ACTION: Motion and second (Keith/Mueller) to approve both bylaw amendments passes unanimously.

D5. Accept minutes for the Council meetings of March 5 and March 12, 2013 ([Attachment](#))

Item pulled by Council Member Keith for an amendment

ACTION: Motion and second (Carlton/Keith) to approve the minutes with the amendment to March 5 passes unanimously.

D6. Adopt the 2013 City Council goals ([Staff report #13-047](#))

Item pulled by Council Member Keith for questions

ACTION: Motion and second (Cline/Keith) to approve the City Council goals passes unanimously.

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](#))
Item pulled by Mayor Ohtaki for discussion and public input.

Public Comment

- Bianca Walser requested that staff recommendations regarding a commission be taken to the commission for input prior to being taken to Council.
- Penelope Huang read her comments which supported leaving the Transportation Commission in the Chambers for their meetings. ([Comments](#))
- Elizabeth Houck stated that she would like a mediation body be established and would like to see all Commission meetings be held in the Council Chambers.
- Charlie Bourne read a document to the Council supporting the work of the Transportation Commission. (*Handout*)

The Council requested that this item come back as a regular business item at a future date.

NOTE: Item F2 was taken out of order at this time

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](#))

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

Reed Moulds, Sand Hill Property Company (applicant) made a presentation explaining the project. (*Handout*)

NOTE: Council Member Carlton left the meeting at 9:05 p.m.

Public Comments

- Nicki Manske, San Mateo County Ombudsmen, has been working with the residents currently at 555 Glenwood and provided an update regarding the residents.
- Patti Fry stated this is a good project and questioned the use of off-street parking on public right-of-way.
- Elizabeth Houck spoke regarding the parking issues and the financial analysis for the project.

ACTION: Motion and second (Keith/Mueller) taking the following actions passes 4-0-1 (Absent: Carlton):

1. Made 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 as outlined in the staff report.
2. Adopted the findings in the staff report, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval.
3. Approved the architectural control request subject to the standard conditions of approval as outlined in the staff report.

4. Approved the architectural control request subject to the project-specific, construction-related conditions of approval as outlined in the staff report.
5. Approved the architectural control request subject to the project-specific, ongoing conditions of approval in the staff report with a modification to condition 5b. Modified condition 5b shall read:

Condition 5b: 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, or any other appropriate sites.

6. Approved the license agreement and encroachment permit.
7. Adopted **Resolution No. 6129** a resolution approving heritage tree removal permits for the permits for the property located at 555 Glen.

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](#))

NOTE: Assistant City Manager Starla Jerome Robinson announced that she has a conflict due to her husband's employment and is therefore recused from the item and left the meeting at 9:51 p.m. and returned at 10:39 p.m.

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

Tucker Bounds, Greg Webb and Chris Guilard, representing the applicant, gave a presentation ([PowerPoint](#))

Mayor Ohtaki opened the Public Hearing.

There were no public comments on this item.

Motion and second (Cline/Keith) to close the Public Hearing passes 4-0-1 (Absent: Carlton)

ACTION: Motion and second (Cline/Keith) taking the following actions passes 4-0-1 (Absent: Carlton):

- Approved **Resolution No. 6130** 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;
- Approved **Resolution No. 6131** approving a Conditional Development Permit for the property located at 312 and 313 Constitution Drive;
- Approved **Resolution No. 6132** approving the Below Market Rate Housing Agreement between the City of Menlo Park and Giant Properties, LLC;

- Approved **Resolution No. 6133** approving the lot line adjustment for Giant Properties;
- Approved **Resolution No. 6134** approving heritage tree removal permits for the property located at 312 and 313 Constitution Drive;
- Introduced an Ordinance rezoning properties located at 312 and 313 Constitution Drive; and
- Introduced an Ordinance approving the Development Agreement with Giant Properties, LLC for the properties located at 312 and 313 Constitution Drive.

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](#))

Staff presentation by Starla Jerome-Robinson, Assistant City Manager

ACTION: Motion and second (Mueller/Cline) to approve **Resolution No. 6135** adopting the 2012-13 budget revisions to effect mid-year budget adjustments passes 4-0-1 (Absent: Carlton)

F3. Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item
There were no legislative items discussed.

G. CITY MANAGER'S REPORT

There was no City Manager report given.

H. WRITTEN COMMUNICATION

There were no written communications.

I. INFORMATIONAL ITEMS

There were no informational items.

J. COUNCILMEMBER REPORTS

Council Members reported in compliance with AB1234 requirements.

K. PUBLIC COMMENT #2

There were no public comments made.

L. ADJOURNMENT

The meeting was adjourned at 11:05 p.m.

Margaret S. Roberts, MMC
City Clerk

Minutes accepted at the Council meeting of

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CITY COUNCIL SPECIAL MEETING **DRAFT** MINUTES

Tuesday, April 2, 2013 at 5:30 p.m.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers

Mayor Ohtaki called the Study Session to order at 5:35 p.m. with Council Member Carlton absent.

SS1. Council review and possible direction regarding the proposed SRI, International Campus Modernization Project and the associated draft public outreach and development agreement negotiation process ([Staff report #13-050](#))

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

Presentation by Tom Furst, Senior VP & CFO of SRI, International ([PowerPoint](#))

Public Comment

- Janet Elliot asked that the cumulative noise of the campus be taken into consideration.
- Phillip Bahr appreciates many aspects of the project and encourages continued public transportation, avoid making an access point across from Pine Street and consider hiring locally for design and construction.
- Britt Von Thaden is in general agreement with the project and his main concern is dealing with traffic in and out of the site.

NOTE: Agenda Item A2 taken out of order at this time

A2. Proclamation: Honoring Marcel Vinokur ([Attachment](#))

Mayor Ohtaki presented the proclamation to Marcel Vinokur.

SS2. Provide direction on the Climate Action Plan Update and Status Report, new measuring methodology for transportation greenhouse gas emissions, and a community greenhouse reduction target, and provide direction on funding in order to achieve target
([Staff report #13-051](#))

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

Environmental Quality Commission presentation by Chair Mitch Slomiak ([PowerPoint](#))

Public Comment

- Gail Slocum urged the Council to move forward with aggressive targets.
- Carol McClelland, GRCC, fully supportive of the EQC recommendations.
- Bob Cohen asked the Council to examine the hard data. He believes there are errors in the information. ([Handout](#))
- Patti Fry is fully supportive of the EQCs aggressive recommendations.
- Scott Marshall urged the Council to also address the building codes to align with reducing greenhouse gas emissions.
- Adina Levin spoke about what other cities are doing regarding lowering green house gas emissions.
- Kristin Kuntz-Durisetti spoke to the benefits in reducing greenhouse gas emissions.
- Cherie Zaslowsky urged the Council to do their due diligence before taking action.

- Alex Cannara stated the recommendations are insufficient to address the problems that exist.

ACTION: The Council provided their feedback and took no formal action on the item.

Mayor Ohtaki called the Regular Session to order at 8:38 p.m. with Council Member Carlton absent.

Mayor Ohtaki led the Pledge of Allegiance.

ANNOUNCEMENTS

There were no announcements made.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation: National Library Week, April 14-20, 2013 ([Attachment](#))

Mayor Ohtaki presented the proclamation to Michelle Figueras from the Library Commission, Anna Chow, President of the Library Foundation and Monica Carman.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

There were no appointments or reports.

C. PUBLIC COMMENT #1

- Mickie Winnler, being a proxy for from Henry Riggs, read a letter speaking on behalf of Lee Duboc regarding having study sessions regarding unions and moving towards becoming a Charter City.
- Jym clendenin, Sister City Project Group, gave a report regarding forming a Sister City relationship with the Village of Menlough, Ireland. ([Handout](#))

D. CONSENT CALENDAR

D1. Waive the reading and adopt ordinances approving the Rezoning and the Development Agreement for the Facebook West Campus located at the intersection of Bayfront Expressway and Willow Road ([Staff report #13-054](#))

Ordinance No. 990: An Ordinance of the City Council of the City of Menlo Park rezoning properties located at 312 and 313 Constitution Drive

Ordinance No. 991: An 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

ACTION: Motion and second (Keith/Cline) to approve Ordinances 990 and 991 passes 4-0-1 (Absent: Carlton).

D2. Authorize the City Manager to execute master agreements for professional services with multiple consulting firms for engineering, surveying, inspection, testing and other administration services ([Staff report #13-052](#))

This item pulled by Council Member Mueller for questions.

ACTION: Motion and second (Cline/Mueller) to authorize the City Manager to execute master agreements for professional services with multiple consulting firms for engineering, surveying, inspection, testing and other administration services passes 4-0-1 (Absent: Carlton).

E. PUBLIC HEARINGS

E1. Adopt a resolution amending the City's Master Fee Schedule to incorporate proposed changes in fees to become effective immediately or July 1, 2013 or as required by statute for the following departments: Community Services, Library, Police and Public Works ([Staff report #13-048](#))

Staff presentation by John McGirr, Revenue and Claims Manager

The Public Hearing was opened at 9:01 p.m.

ACTION: Motion and second (Cline/Keith) to close the Public Hearing passes 4-0-1 (Absent: Carlton) at 9:01 p.m.

ACTION: Motion and second (Cline/Keith) to approve **Resolution No. 6136** amending the City's Master Fee Schedule to incorporate proposed changes in fees to become effective immediately or July 1, 2013 or as required by statute for the following departments: Community Services, Library, Police and Public Works passes 4-0-1 (Absent: Carlton).

ACTION: The City Council directed staff to incorporate mediation in the process for appeals and bring back the appeal fees with the cost built in.

F. REGULAR BUSINESS

F1. Memorandum from Council Members Keith and Cline requesting Council place review of 500 El Camino Real/Stanford Project on the April 16, 2013 City Council meeting agenda ([Attachment](#))

NOTE: Vice Mayor Mueller announced he is recused on the item due to the proximity of previously owned property and left the Council Chambers at 9:08 p.m.

Presentation by Council Members Keith and Cline

Public Comment

- Vince Bressler stated that there was a mistake made with this parcel and requested the staff report to be clear and to state a provision that can be voted on to remove the South East portion of El Camino Real out of the Specific Plan and revert it to the previous zoning.
- Steve Elliott, representing Stanford, stated that due to comments they have heard, they are making changes to the plan and are willing to discuss them at the April 16 Council meeting.
- Adina Levin supported removing this parcel out of the El Camino/Downtown Specific Plan but not opening the entire Plan.
- Perla Ni urged the Council to put the Stanford Plan on the agenda for April 16 for the Council to consider removing the parcel out of the Plan and a moratorium on medical offices.
- Stefan Petry supports having the parcel taken out of the Plan and returned to the prior zoning.

- Cherie Zaslowsky presented a PowerPoint showing the reasons this item should be placed on the April 16 agenda. ([PowerPoint](#))

ACTION: Motion and second (Cline/Keith) to place a review of 500 El Camino Real/Stanford Project on the April 16, 2013 City Council meeting agenda for discussion passes 3-0-2 (Mueller recused; Carlton absent).

NOTE: Vice Mayor Mueller returned to the meeting at 9:41 p.m.

F2. Discuss and provide direction on City operating and budget principles for the 2013-14 budget process ([Staff report #13-053](#))
Staff presentation by Alex McIntyre, City Manager

ACTION: Motion and second (Cline/Mueller) to approve the City Operating Principles adding a twelfth principle “Eye towards long-term stability of the fiscal plan”, the Budget Development Principles, use of one time revenues and temporarily setting aside \$300,000 for the police substation passes 4-0-1 (Absent: Carlton).

F3. Present information regarding employee compensation and receipt of public comment relating to upcoming contract negotiations with all units ([Staff report #13-049](#))
There were no public comments on the item.

F4. Adopt a resolution appropriating \$500,000 from the Bedwell-Bayfront Park Landfill Fund, waiving the public bidding requirement, and authorizing the City Manager to award and execute contracts for the Gas Flare at Bedwell Bayfront Park Landfill and authorizing a total budget of \$500,000 ([Staff report #13-055](#))
Staff presentation by Fernando Bravo, Engineering Services Manager ([PowerPoint](#))

Public Comment

- Allan Bedwell, Friends of Bedwell Bayfront Park, support the staff recommendation and stated that the Friends appreciate staff reaching out to them on this item. He encouraged that the City look towards finding a way to generate revenue from the site.

ACTION: Motion and second (Keith/Cline) to approve **Resolution No. 6137** appropriating \$500,000 from the Bedwell-Bayfront Park Landfill Fund, waiving the public bidding requirement, and authorizing the City Manager to award and execute contracts for the Gas Flare at Bedwell Bayfront Park Landfill and authorizing a total budget of \$500,000 passes 4-0-1 (Absent: Carlton).

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

There were no informational items.

J. COUNCILMEMBER REPORTS

Mayor Ohtaki stated he is interested in getting more information on a Sister City relationship and will be obtaining more information.

K. PUBLIC COMMENT #2

There were no public comments made.

L. ADJOURNMENT

The meeting was adjourned at 10:42 p.m.

Margaret S. Roberts, MMC
City Clerk

Minutes accepted at the Council meeting of

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**JOINT MEETING OF THE
CITY COUNCIL AND PLANNING COMMISSION
SPECIAL MEETING **DRAFT** MINUTES**

Tuesday, April 9, 2013 at 7:00 p.m.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers

Mayor Ohtaki called the Joint Session of the City Council and Planning Commission to order at 7:03 p.m.

ROLL CALL

City Council – Council Members Carlton, Keith, Ohtaki and Mueller presents and Council Member Cline absent.

Planning Commission – Commissioners Bressler, Eiref, Ferrick, Kadvany, O'Malley, Onken and Riggs present.

PUBLIC COMMENT

- David Alfano spoke regarding the property on El Camino Real under discussion for substantial development. (*comments*)

A. HOUSING ELEMENT ([Attachment](#))

Introduction by Justin Murphy, Development Services Manager

- Jeffery Baird, Baird + Driskell Community Planning presented the Housing Element and Open Space/Conservation, Noise and Safety Elements
- Ron Golem Bay Area Economics presented the Fiscal Impact Analysis
- Steve Noack, The Planning Center presented the Environmental Assessment
- Chris Kinzel, TJKM Transportation Consultants presented the Traffic Study
- Chip Taylor, Director of Public Works presented the Capital Improvement Plan
- Justin Murphy presented the Land Use Element and Zoning Changes

The Council and Commission asked clarifying questions of the presenters.

Public Comment

- Sheryl Bims asked if there is a list of the type of housing in each area in town. Belle Haven has an over concentration of low, very low and extremely low housing. She is concerned that there is a deliberate movement that all the low rate housing is being placed in Belle Haven. The low rate housing needs to be shared throughout Menlo Park. She would like to see all sections in Menlo Park thrive.
- Vicky Robledo spoke to the imbalance in the distribution of housing. She is concerned that there is not an Environmental Impact Report being completed. She is concerned with the schools in Belle Haven neighborhood and their conditions.
- Maria Ibarra has concerns with the level of education in the Ravenswood School District. She is concerned with increased traffic.

- Rose Bickerstaff stated the first three speakers have presented most of her comments. She would like to see a fair city and the housing be balanced throughout Menlo Park and not just Belle Haven Community. There is no other community in the city that is saturated with this type of housing. The education to the Belle Haven Community is at the bottom.
- Jan Lindenhall, Mid Pen Housing, spoke regarding the overlay zoning for the property located in the 1200 block of Willow Road. This would allow their agency the capability to supply additional resources. They would like to work with the Belle Haven Community regarding what is done with the property they own.
- Lily Gray, Mid Pen Housing, has been inspired by the outreach in the Belle Haven Visioning process. Mid Pen Housing owns and manages three properties in the Belle Haven Community and the new zoning would allow them to upgrade the property.
- Matt Henry stated that the locations chosen were not a surprise. He believes that some of the housing on the list were on the list were on for political reasons. The decision makers are not going to make a decision that will impact where they reside and so it therefore goes into the Belle Haven Community. The City should limit the stories in the Belle Haven Community to three stories as it does not need to become a vertical slum. The high sites should be at the rear of the sites. The new sites should be inundated with trees, little parks and landscaping as visuals count as how it is received.
- Darci Palmer, Core Affordable Housing, stated the VA invited them to develop 60 apartments at the VA site.
- Adina Levin stated she is glad to see the City move forward with the Housing Element. She is concerned with some of the developments coming into the Downtown Specific Plan. She is also concerned with the Haven site as the interchange is dangerous. This will put a cost and health burden to the area. There is poor access to service, transit and she is concerned with its isolation.

J. Murphy discussed the process for the housing sites rezoning for high density and explained what is required by the State for the property to be considered eligible within the planning period.

NOTE: Commissioner Eiref left the meeting at 10:27 p.m.

NOTE: Commissioner Kadvary left the meeting at 10:31 p.m.

The Commissioners and Council Members asked for clarifying questions and provided individual comments. There was no formal action taken.

ADJOURNMENT

The meeting was adjourned at 10:52 p.m.

Margaret S. Roberts, MMC
City Clerk

Minutes accepted at the Council meeting of
and the Planning Commission meeting of



**CITY COUNCIL
SPECIAL AND REGULAR **DRAFT** MEETING
MINUTES**

Tuesday, April 16, 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 5:34 p.m. with all Council Members present.

CL1. Closed Session pursuant to Government Code section 54957.6 to conference with labor negotiators regarding labor negotiations with the Police Officers Association (POA) and Police Management Association (PMA)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director, Robert Jonsen, Police Chief, Dave Bertini, Commander

Public Comment

- Mickie Winkler read from a handout that she provided to the Council which included suggestions on reducing employee costs (*Handout*)

The Council went into Closed Session at 5:42 p.m.

Mayor Ohtaki called the Regular Session to order at 7:13 p.m. with all members present.

Mayor Ohtaki led the Pledge of Allegiance.

ANNOUNCEMENTS

Mayor Ohtaki announced that the meeting would be closed in Memory of Beverly “BJ” Perkins, Secretary in the City Manager’s Office from 1994-2007.

Mayor Ohtaki stated that thoughts and prayers go out to the victims of the bombing at the Boston Marathon yesterday.

REPORT FROM CLOSED SESSION

There was no reportable action from Closed Session.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation declaring April 19th as “Menlowe Ballet Day” ([Attachment](#))

Mayor Ohtaki presented the proclamation to Lisa Shiveley, Executive Director, Menlowe Ballet.

A2. Presentation of Environmental Quality Awards

Mitch Slomiak, Environmental Quality Commission Chair, presented the following Environmental Quality Awards:

For Climate Action:

- Facebook, accepted by Lauren Swezey

- Menlo Business Park, accepted by Ron.
-

For Environmental Education:

- Backyard Composting, accepted by Carolyn Dorsch

For Resource Conservation:

- Pacific Bioscience, accepted by Deborah Martin and Paul Intriери

For Sustainable Building:

- Hillview Middle School, accepted by School Board Member Ahmad Sheikholeslami and Giesel

A3. Presentation regarding San Francisquito Creek Community Outreach Plan Program EIR for projects upstream of Highway 101 and Pope/Chaucer Bridge Project by Len Materman, SFCJPA Executive Director

Len Materman, SFCJPA Executive Director, provided information on the San Francisquito Creek Community Outreach Plan Program EIR for projects upstream of Highway 101 and Pope/Chaucer Bridge Project. (*PowerPoint*)

A4. Bay Area Water Supply and Conservation Agency (BAWSCA) update by Representative Kelly Fergusson

Kelly Fergusson provided a report on the activities of BAWSCA.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Consider applicants for appointment to fill three vacancies on the Parks and Recreation Commission; and one vacancy on the Transportation Commission ([Staff report #13-061](#))

Staff presentation by Margaret Roberts, City Clerk

Public Comments

- James Morgan spoke in support of Adina Levin for the Transportation Commission.
- Henry Riggs spoke in support of Philip Mazzara for the Transportation Commission.
- Nell Triplett spoke in support of Adina Levin for the Transportation Commission.
- Gita Dev spoke in support of Adina Levin for the Transportation Commission.
- Andrew Boone spoke in support of Adina Levin for the Transportation Commission.

ACTION: By acclamation the following appointments were made for the Parks and Recreation Commission:

- Noria Zasslow – Term ending April 30, 2014
- Marianne Palefsky – Term ending April 30, 2015
- Kristin Cox – Term ending April 30, 2016

ACTION: Rich Cline nominated Adina Levin and Catherine Carlton nominated Philip Mazzara and with a unanimous vote Adina Levin was appointed to fill the unexpired term through April 30, 2014.

C. PUBLIC COMMENT #1

- Elizabeth Houck read a letter into record regarding the General Plan. (*Letter*)

- Matt Henry stated that he made two points at the last Council meeting that were taken Belle Haven should be loaded with trees because of the Facebook West Campus. The only place that should have three stories is at the Haven site. Belle Haven is a one story community and trying to jam in more houses would not work.
- Michael Francois spoke regarding chemicals in the water and provided a handout to the Council. (*Handout*)
- Patti Fry requested that the Specific Plan be placed on a Council agenda with a date specific for review.
- Susan Connely requested that the Specific Plan be placed on a Council agenda with a date specific for review and requested a moratorium on all office space throughout Menlo Park.
- Osnat Lowenthal requested that the Specific Plan be placed on a future agenda for review.

D. CONSENT CALENDAR

ACTION: Motion and second (Keith/Cline) to approve the Consent Calendar Items D1, D3 and D5 passes unanimously .

D1. Adopt **Resolution No. 6138** accepting dedication of a public access easement and authorizing the City Manager to sign the certificate of acceptance for the 1035 O'Brien Drive Frontage Improvements Project ([Staff report #13-058](#))

D3. Approve the response to the San Mateo Grand Jury Report "Can We Talk? Law Enforcement and Our Multilingual County" ([Staff report #13-063](#))

D5. Authorize the City Manager to enter into an agreement with Municipal Revenue Advisors, Inc., to perform sales and use tax services in connection with the Development Agreement for the Facebook West Campus Project and approval of **Resolution No. 6139** authorizing the examination of sales and use tax records by Municipal Revenue Advisors, Inc. ([Staff report #13-064](#))

D2. Adopt amended Resolution of Intention to abandon a portion of Louise Street ([Staff report #13-057](#))

Item pulled by Council Member Keith for discussion

NOTE: Vice Mayor Mueller announced he is recused due to the proximity of his property and left the Council Chambers at 8:44 p.m.

ACTION: Motion and second (Keith/Cline) to approve **Resolution No. 6140** an Amended Resolution of Intention to abandon a portion of Louise street passes 4-0-1 (Recused: Mueller)

NOTE: Vice Mayor Mueller returned to the meeting at 8:46 p.m.

D4. Receive the San Francisquito Creek Joint Powers Authority projects update and approve the Project Community Outreach Plan ([Staff report #13-062](#))

Item pulled by Council Member Carlton for discussion

ACTION: Motion and second (Carlton/Cline) to receive the update and approve the Project Community Outreach Plan passes unanimously.

D6. Accept minutes from the Council meetings of March 26 and April 2, 2013 ([Attachment](#))

Item pulled by Council Member Carlton for discussion

Council Member Carlton would like any amendments to the minutes to be documented in the minutes. Vice Mayor Mueller added that he would like additional comments in the minutes regarding the Council discussion on the Capital Improvement Plan.

ACTION: By consensus the Council held over the minutes to the next Council meeting.

E. PUBLIC HEARINGS

E1. Conduct a Public Hearing and consider a resolution approving a Conditional Development Permit amendment for the property located at 401 Pierce Road ([Staff report #13-059](#))
Staff presentation by Thomas Rogers, Senior Planner

Mayor Ohtaki opened the Public Hearing at 8:56 p.m.

There were no comments made during the Public Hearing.

Motion and second (Cline/Keith) to close the Public Hearing at 8:57 p.m. passes unanimously.

ACTION: Motion and second (Keith/Cline) taking the following actions passes unanimously:

Adopt the finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines; and

Adopt **Resolution No. 6141** approving the Conditional Development Permit amendment for the addition of 747 square feet of gross floor area to an existing private recreation facility and to increase the maximum FAR to 45 percent, subject to the requirements of the Conditional Development Permit and removing paragraphs 5.1(recordation) and 7.1 (Indemnity by Owner).

F. REGULAR BUSINESS

F1. Consideration of a Mixed-Use Development Proposal at 500 El Camino Real, including options for the project review process ([Staff report #13-066](#))

NOTE: Vice Mayor Mueller announced he is recused due to the proximity of his property and left the Council Chambers at 8:59 p.m.

Staff presentation by Thomas Rogers, Senior Planner

Applicant presentation by Steve Elliott showing the proposed project at 500 El Camino Real (*PowerPoint*)

Public Comment

- Barbara Hunter

ACTION: Motion and second (Cline/Ohtaki) to appoint a Council Subcommittee of Council Members Keith and Carlton for project refinement, facilitate compromise with the applicant and the residents and a timeline for review of the specific plan.

NOTE: Vice Mayor Mueller returned to the meeting at 1:25 a.m.

- F2.** Adopt a resolution taking the following actions: 1. Appropriating an additional \$715,000 to the Santa Cruz Avenue Irrigation Replacement Project from the General Fund CIP fund balance; 2. Authorizing the City Manager to award a contract to the lowest responsible bidder for the Santa Cruz Avenue Irrigation Replacement Project authorizing a total budget of \$1,060,000 for construction, contingencies, material testing, and construction administration; and 3. Awarding contracts up to \$250,000 for the purchase and installation of the downtown benches and solid waste and recycling bins ([Staff report #13-065](#))
- Staff presentation by Ruben Nino, Assistant Public Works Director

Public Comment

- Fran Dehn, Chamber of Commerce, stated that the Chamber supports staff recommendation. They also encourage an additional investment for additional improvements including relocating the newspaper racks.

ACTION: Motion and second Mueller/Carlton adopting **Resolution No. 6142** and taking the following actions passes unanimously:

1. Appropriating an additional \$515,000 to the Santa Cruz Avenue Irrigation Replacement Project from the General Fund CIP fund balance;
 2. Authorizing the City Manager to award a contract to the lowest responsible bidder for the Santa Cruz Avenue Irrigation Replacement Project authorizing a total budget of \$860,000 for construction, contingencies, material testing, and construction administration; and
 3. Awarding contracts up to \$250,000 for the purchase and installation of the downtown benches and solid waste and recycling bins.
- F3.** Consider appointing a Councilmember to serve on the Blue Ribbon Task Force as proposed by the City of Redwood City regarding South Bay Waste Management Authority (SBWMA) board governance ([Staff report #13-060](#))

ACTION: Motion and second (Keith/Cline) to appoint Vice Mayor Mueller to serve on the Blue Ribbon Task Force as proposed by the City of Redwood City regarding South Bay Waste Management Authority (SBWMA) board governance passes unanimously.

- F4.** Consider appointment of a director to the Boards of the Bay Area Water Supply & Conservation Agency and the Bay Area Regional Water Supply Financing Authority ([Attachment](#))

ACTION: Motion and second (Keith/Cline) to appoint Council Member Keith as the director to the Boards of the Bay Area Water Supply & Conservation Agency and the Bay Area Regional Water Supply Financing Authority passes unanimously.

- 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

There were no informational items.

J. COUNCILMEMBER REPORTS

There were no reports given.

K. PUBLIC COMMENT #2

There were no public comments made.

L. ADJOURNMENT

The meeting was adjourned at 1:45 a.m. in memory of Beverly "BJ" Perkins, Secretary in the City Manager's Office from 1994-2007.

Margaret S. Roberts, MMC
City Clerk

Minutes accepted at the Council meeting of



CITY COUNCIL SPECIAL MEETING **DRAFT** MINUTES

Tuesday, April 23, 2013

7:05 p.m.

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

7:05 P.M. SPECIAL SESSION

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

Mayor Pro Tem Mueller made opening remarks stating that tonight's meeting is about transparency, accountability and problem-solving, and asked participants to maintain a collegial and collaborative tone.

SS. STUDY SESSION

SS1. Receive Public Comment on labor contracts ([Staff report #13-049](#))
([POA MOU](#)) ([PMA MOU](#)) ([SEIU MOU](#)) ([AFSCME MOU](#))

Public Comment:

- Roy Thiele-Sardina thanked Council for holding this session prior to the negotiation process. He expressed concern regarding the unsustainability of the City's pension fund, the need to reduce the number of full-time employees (FTE), such as the child care center staff, to reduce salaries and reduce the pension formula.
- Edward Moritz spoke regarding the police retirement formula and the current "step" system
- Henry Riggs stated that Menlo Park is a desirable place to work and that raising salary and benefits is not necessary to attract new employees. He asked Council to establish a moratorium on new hires. He addressed reducing staffing levels and salaries, reconsidering the step system, reducing paid time-off, negotiating healthcare, active recruitment from the private sector, withdrawing from CalPERS, including citizens on the negotiating team and to consider the benefits becoming a charter city. ([handout](#))
- Mickie Winkler urged Council to take a fiscally analytical approach, to reconsider the current seniority system and to continue involving constituents in the process
- Chuck Bernstein encouraged Council to defer making any decisions for one year and spoke regarding the need for a long-term financial model and independent analysis by an outside contractor who would report directly to the Council, no increases in salary or benefits, utilizing citizens to form a task force, and the impact of development and low income housing ([handout](#))
- Joy Kosobayashi stated that salaries should be reduced and cautioned the Council against a "keep up with the Jones'" mentality
- William Brown asked Council to move from a defined benefit system to a defined contribution program. He stated that as incremental revenues are achieved, these should go toward repayment of unfunded liabilities before implementing new services.
- Hank Lawrence urged Council to consider subcontracting work similar to the defense industry, to cut staff size and move from a defined benefit system to a 401K
- Honor Huntington thanked Council for holding tonight's session and encouraged Council to utilize the Finance and Audit Committee to assist with financial modeling, consider becoming a Charter City, and to review State requirements and what the City can do regarding employment benefits

- Peter Carpenter commended Council for holding tonight’s session as it serves as a good example of transparency and participation, and asked how much would it cost to buy out of CalPERS
- Rene Morales stated that City staff delivers exceptional customer service, but under current conditions that level is dropping. He stated it will be difficult to attract qualified candidates with the new benefit formula and that contracting out can become costly.
- Jennifer Pollock spoke regarding the Specific Plan

Mayor Pro Tem Mueller stated that staff has been directed to look into an unfunded pension liability fund.

In response to Mayor Ohtaki, City Attorney McClure clarified the difference between workers’ compensation claims and disability retirement and the State’s requirements to qualify for benefits. The City’s workers compensation claims are handled by an outside administrator and staff meets quarterly to review claims. He gave a brief overview of both processes.

In response to Councilmember Cline, Assistant City Manager Jerome-Robinson described the 3-tiered pension formulas for sworn and non-sworn staff.

| | <u>Police</u> | <u>Non-Sworn</u> | <u>Date Implemented</u> |
|--------|---------------|------------------|-------------------------|
| Tier 1 | 3% @ 50 | 2.7% @ 55 | June 2006 |
| Tier 2 | 3% @ 55 | 2% @ 60 | November 2011 |
| Tier 3 | 2.7% @ 57 | 2% @ 62 | January 2013 |

In response to Mayor Ohtaki, Assistant City Manager Jerome-Robinson addressed concerns regarding new CalPERS actuarials, the “smoothing” period and the potential for increased rates.

In response to Councilmember Keith, City Attorney McClure described two types of binding arbitration. The first type of arbitration occurs when a City and a bargaining unit reach an impasse regarding contract terms. The second type, which is included in Menlo Park’s labor MOUs, can be implemented when an employee that has been disciplined wants to appeal the City’s decision regarding the discipline. He gave a brief overview of this type of arbitration.

City Manager McIntyre discussed Menlo Park salaries compared to those of 13 neighboring cities. Menlo Park ranks within the top 10 percent. The Police Department ranks number two.

Council stated the pay-off of the CalPERS safety fund in 2011 was appropriated from the General Fund and has not been repaid but that the City has reaped the financial benefits of taking that action.

Mayor Pro Tem Mueller stated that some clean-up language may be needed in the Police duty handbook regarding grievances and dismissal in order to be consistent with what is in the MOU, and to review community policing and the quality of work the City receives in return for what it pays for.

In response to Councilmember Cline regarding financial models, City Manager McIntyre stated that the best model is a 3-5 year forecast.

Councilmember Carlton thanked the public for attending tonight’s session and stated that there are talented members of the community who could assist with research regarding financial modeling and becoming a Charter City.

Mayor Pro Tem Mueller made closing remarks, thanking the public and staff for participating.

Council adjourned to Closed Session in the 1st floor Council Conference Room, Administration Building, at 8:33 p.m.

CL. CLOSED SESSION

CL1. Closed Session pursuant to Government Code section 54957.6 to conference with labor negotiators regarding labor negotiations with the Police Officers Association (POA) and Police Management Association (PMA)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director, Robert Jonsen, Police Chief, Dave Bertini, Commander

C. ADJOURNED at 11:07 p.m.

Pamela Aguilar
Deputy City Clerk

These minutes were accepted at the meeting of

DRAFT

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**CITY COUNCIL
SPECIAL AND REGULAR MEETING DRAFT MINUTES**

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

Mayor Ohtaki called the Session to order at 5:41 p.m. with all members present.

1. Interview applicant for one vacancy on the Planning Commission
The Council interviewed Katherine Strehl for the Planning Commission vacancy.

There were no members of the public present to make public comments. The Council went into Closed Session at 5:53 p.m.

CL1. Discussion with legal counsel pursuant to Government Code Section 54956.9(a) regarding existing litigation – 2 cases:

(1) Town of Atherton, et al. v. California High Speed Rail Authority
*Superior Court of California, County of Sacramento, Case No. 34-2008-80000022
(Atherton 1)*

(2) Town of Atherton, et al. v. California High Speed Rail Authority
*Superior Court of California, County of Sacramento, Case No. 34-2010-80000679
(Atherton 2)*

NOTE: Vice Mayor Mueller announced that he has a conflict of interest regarding the item due to the proximity of previously owned property and left the meeting at 5:53 p.m. and returned at 6:50 p.m.

CL2. Closed Session pursuant to Government Code section 54957.6 to conference with labor negotiators regarding labor negotiations with the Police Officers Association (POA) and Police Management Association (PMA)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director, Robert Jonsen, Police Chief, Dave Bertini, Commander

Mayor Ohtaki called the Regular Session to order at 7:15 p.m. with all members present.

Mayor Ohtaki led the Pledge of Allegiance

REPORT FROM CLOSED SESSION

ACTION: The City Council decided not to pursue an appeal regarding Closed Session Item CL1 4-0-1 (Mueller recused).

ANNOUNCEMENTS

There were no announcements.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation regarding West Nile Virus and Mosquito and Vector Control Awareness Week April 21-27, 2013 ([Attachment](#))

Mayor Ohtaki presented the proclamation to Valentina Cogoni.

A2. Presentation regarding Police Services by Steve Belcher ([Attachment](#))
Steve Belcher gave a presentation on the organizational review of the Police Department.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Bicycle Commission quarterly report on status of their 2-year Work Plan
Commission presentation by Chair Gregory Klingsporn

B2. Library Commission quarterly report on status of their 2-year Work Plan
Commission presentation by Vice Chair Michelle Figueras ([Picture](#))

B3. Consider appointment to fill one vacancy on the Planning Commission
([Staff report #13-068](#))

ACTION: By acclamation, the City Council appointed Katherine Strehl to the Planning Commission with a term ending April 30, 2017.

STUDY SESSION

SS1. Discussion of frontage improvement requirements for discretionary permits
([Staff report #13-071](#))

Staff presentation by Roger Storz, Senior Civil Engineer and Chip Taylor, Director of Public Works ([PowerPoint](#))

Public Comment

- Michelle Stribling gave a presentation regarding the lack of a need for sidewalks in the Allied Arts neighborhood. ([PowerPoint](#))
- Thomas Conrad stated he is opposed to frontage improvements due to the number of trees that would need to be removed in the Allied Arts neighborhood.
- J.F. Duhig spoke against sidewalks in the Allied Arts neighborhood.
- Barbara Tyler spoke regarding a survey of impact of enforced sidewalks in the 100 block of Yale Road. ([Survey](#))
- Debra Littleton-Gerow stated that she does not want nor is there a need for sidewalks in the Allied Arts neighborhood.
- Charles Irby stated they value the semi-rural atmosphere of their neighborhood.
- Kathy Parker stated she is opposed to sidewalks in the Allied Arts neighborhood.

ACTION: The Council provided individual input with agreement that sidewalks on low volume local roadways should not be required and took no formal action on the item.

C. PUBLIC COMMENT #1

There were no comments made from the public.

D. CONSENT CALENDAR

ACTION: Motion and second (Carlton/Cline) to approve the Consent Calendar passes unanimously.

D1. Adopt **Resolution No. 6143** appropriating an additional \$20,000 from the General Fund CIP fund balance, awarding a construction contract for the Belle Haven Child Development Center Playground Improvement Project to Ross Construction in the amount of \$80,561.28, and authorizing a total budget of \$95,000 for construction, contingencies, inspection, and project management ([Staff report #13-070](#))

- D2.** Approve a third amendment to the Purchase and Sale Agreement with Greenheart Land Company extending the escrow timeline for the sale of property owned by the former Menlo Park Redevelopment Agency located at 777-821 Hamilton Avenue due to delays in obtaining State Department of Finance approval for the sale ([Staff report #13-072](#))

E. PUBLIC HEARINGS

There were no Public Hearings scheduled.

F. REGULAR BUSINESS

- F1.** Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item
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.** Quarterly financial review of General Fund operations as of March 31, 2013
([Staff report #13-067](#))
Staff answered questions from the Council.

- I2.** Review of the City's investment portfolio as of March 31, 2013 ([Staff report #13-069](#))
The Council received the report.

J. COUNCILMEMBER REPORTS

Council Members reported in compliance with AB1234 requirements.

K. PUBLIC COMMENT #2

There were no public comments made.

L. ADJOURNMENT

The City Council adjourned the Regular Session at 10:29 p.m. to return to Closed Session on item CL2.

REPORT FROM CLOSED SESSION

There was no reportable action for Closed Session Item CL2.

The meeting was adjourned at 11:55 p.m.

Margaret S. Roberts, MMC
City Clerk

Minutes accepted at the Council meeting of

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CITY COUNCIL REGULAR MEETING **DRAFT** MINUTES

Tuesday, May 7, 2013 at 7:00 P.M.
Senior Center at Belle Haven, 110 Terminal Avenue,
Menlo Park, CA 94025

Mayor Ohtaki called the meeting to order at 7:07 p.m. with all members present

Mayor Ohtaki led the Pledge of Allegiance

ANNOUNCEMENTS

Chip Taylor, Director of Public Works introduced the new Transportation Manager, Jesse Quirion.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation declaring Bike to Work Day May 9, 2013 ([Attachment](#))
Mayor Ohtaki presented the proclamation to Greg Klingsporn, Bicycle Commission Chair.

Public Comment

Andrew Boone provided information from the census regarding biking to work.

A2. Proclamation declaring Public Works Week May 19-25, 2013 ([Attachment](#))
Mayor Ohtaki presented the proclamation to Chip Taylor, Director of Public Works.

A3. Proclamation declaring Municipal Clerk's Week May 5-11, 2013 ([Attachment](#))
Mayor Ohtaki presented the proclamation to Pam Aguilar, Deputy City Clerk.

A4. Proclamation recognizing National Mental Health Awareness Month ([Attachment](#))
Mayor Ohtaki presented the proclamation to Lisa Pamphilon founder of Turning Point and chair of the Mental Health Awareness and Roberta Roth Outreach Specialist from the library and co-chair of the Mental Health Awareness Project.

A5. Update on Belle Haven Neighborhood Vision process ([Staff report #13-082](#))
Staff presentation by Derek Schweigart, Assistant Community Services Director

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Consider applicants for appointment to fill four vacancies on the Bicycle Commission and One Vacancy on the Transportation Commission ([Staff report #13-079](#))
Staff presentation by Margaret Roberts, City Clerk

ACTION: Kirsten Keith nominated the following:

Bicycle Commission:

Drew Combs – term expiring April 30, 2016

William Kirsch and Cindy Welton – term expiring April 30, 2017

The Council voted unanimously for the nominations to the Bicycle Commission.

Transportation Commission:

Catherine Carlton nominated Philip Mazzara and Kirsten Keith nominated Michael Meyer.

Philip Mazzara was appointed with affirming votes from Council Members Cline, Mueller, Ohtaki and Carlton.

C. PUBLIC COMMENT #1

- Carolina Lopez spoke in support of a police station in Belle Haven neighborhood.
- Rose Bickerstaff spoke regarding the Housing Element and the balance needed.
- Vicky Robledo requested fair distribution of affordable housing to be included in the Housing Element.
- Nina Wolk spoke against high density housing in the Belle Haven neighborhood.
- Sheryl Bims read a letter to the Council and staff regarding the Draft Housing element. (*Letter*)
- Audley Lyon stated that the worst kind of discrimination is included in the current Draft Housing Element and the increase in traffic.
- Carolyn Clarke stated that she can get to Redwood City faster than she can get to downtown Menlo Park and spoke in support of the new Police substation.
- Johnnie Walton, Mt. Olive AOH Church of God, asked the Council to verify that the statement that Belle Haven property owners want the housing in their neighborhoods.
- Rachel Bickerstaff spoke regarding locations for new housing locations in the current Draft Housing Element. The housing needs to be distributed throughout Menlo Park.
- Johnnie Cruz spoke against the additional high density housing coming into the neighborhood when there are not basic necessities or services currently available in the Belle haven neighborhood.
- Jacqueline Cebrian agreed with all of the speakers regarding the high density housing and it is unfair as they shoulder the burden of people.

D. CONSENT CALENDAR

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

- D1.** Award a contract for street sweeping services to Contract Sweeping Services, Inc. in the amount of \$638,512.70 and authorize the City Manager to extend the contract for up to an additional 4 years ([Staff report #13-073](#))
- D2.** Award a contract for the Sidewalk Trip Hazard Removal Project to Precision Emprise, Inc. in the amount of \$80,000, and authorize a total budget of \$100,000 for construction, contingencies, material testing, inspection and construction administration ([Staff report #13-078](#))
- D3.** Authorize the Public Works Director to accept the work performed by Golden Bay Construction, Inc., for the Safe Routes to Hillview Middle School Project ([Staff report #13-076](#))
- D4.** Authorize the Public Works Director to accept the work performed by Amland Corporation, for the Middlefield Road at Linfield Drive Lighted Crosswalk Improvement Project ([Staff report #13-077](#))

E. PUBLIC HEARINGS

- E1.** Conduct a Public Hearing and consider a request for Use Permit, Architectural Control, Tentative Map, Heritage Tree Removals and Below Market Rate (BMR) Housing in-lieu fee agreement for 6 detached dwelling units on two adjacent parcels at 1273 and 1281 Laurel Street ([Staff report #13-074](#))

Staff presentation by Kyle Perata, Assistant Planner ([PowerPoint](#))

Architect: Tony J. Sarboraria, Architect and Forrest Mazart, owner provided the Council with a handout and spoke briefly about the project. (*Handout*)

Mayor Ohtaki opened the Public Hearing at 9:21 p.m.

Public Comment

- Richard Jones requested that one tree (number 9) not be removed.

Motion and second (Cline/Keith) to close the Public Hearing at 9:24 p.m. passes unanimously.

ACTION: Motion and second (Keith/Cline) to approve all recommendations in the Amended Attachment A, as outlined below and to add a condition to require a construction plan be submitted prior to the issuance of the building permit passes unanimously.

1273 Laurel Street

1. Adopt a finding that the redevelopment of the site is categorically exempt under Class 32 (Section 15332, "In-Fill Development Projects") of the current State CEQA Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. 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 property is not within any Specific Plan area, and as such no finding regarding consistency is required to be made.

4. Adopt findings that the proposed major subdivision is technically correct and in compliance with all applicable State regulations, City General Plan, Zoning and Subdivision Ordinances, and the State Subdivision Map Act.
5. Adopt **Resolution No. 6144** approving the five heritage tree removal permits.
6. Adopt **Resolution No. 6145** approving the Below Market Rate Housing In-Lieu Fee Agreement, recommended by the Housing Commission on January 16, 2013, and recommended by the Planning Commission on April 8, 2013. (Attachment C).
7. Approve the project subject to the following conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by AJS Architecture and Planning, consisting of 29 plan sheets, dated received April 17, 2013, inclusive of the recommendations by the Planning Commission on April 8, 2013, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. Prior to building permit issuance, the applicants shall comply with all 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 applicants 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. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to issuance of a grading, demolition or building permit.
 - g. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.
 - h. Concurrent with the submittal of a complete building permit application, 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.

- i. Prior to recordation of the Final Map, the existing structures shall be demolished after obtaining a demolition permit.
- j. Concurrent with the application for a Final Map, the applicant shall submit covenants, conditions and restrictions (CC&Rs) for the approval of the City Engineer and the City Attorney. The Final Map and the CC&Rs shall be recorded concurrently.
- k. 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 shall be approved prior to issuance of a grading and/or building permit.
- l. Prior to recordation of the Final Map, the applicant shall install new improvements as shown on the project plans per City standards along the entire property frontage subject to the review and approval of the Engineering Division. The applicant shall obtain an encroachment permit, from the Engineering Division, prior to commencing any work within the right-of-way. 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.
- m. 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 \$128,000 (based on \$32,000 per net new unit).
- n. Concurrent with the application for a grading and/or building permit, the applicant shall submit an updated Hydrology Report for review and approval by the Public Works Department. The Hydrology Report shall confirm that the project does not result in increased storm water runoff as measured by the peak flow rate for a 10-year storm and shall also confirm that the on-site depressed garages will not be subject to flooding during a 10-year storm. If the Hydrology Report shows an increase of runoff (over the existing conditions runoff), then the applicant shall implement modifications to the project to ensure that neither impact occurs subject to review and approval of the Planning and Engineering Divisions.
- o. Concurrent with the application for a grading and/or building permit, 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.
- p. Prior to grading and/or building permit issuance, the applicant shall provide documentation of the recordation of the Final Map at the County Recorder's Office for

review and approval of the Engineering Division and the Planning Division. Application for a grading and/or building permit may be made prior to recordation.

1281 Laurel Street

1. Adopt a finding that the redevelopment of the site is categorically exempt under Class 32 (Section 15332, "In-Fill Development Projects") of the current State CEQA Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. 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 property is not within any Specific Plan area, and as such no finding regarding consistency is required to be made.
4. Adopt findings that the proposed major subdivision is technically correct and in compliance with all applicable State regulations, City General Plan, Zoning and Subdivision Ordinances, and the State Subdivision Map Act.
5. Adopt **Resolution No. 6144** approving the five heritage tree removal permits (Attachment B).
6. Adopt **Resolution No. 6145** approving the Below Market Rate Housing In-Lieu Fee Agreement, recommended by the Housing Commission on January 16, 2013, and recommended by the Planning Commission on April 8, 2013. (Attachment C).
7. Approve the project subject to the following conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by AJS Architecture and Planning, consisting of 29 plan sheets, dated received April 17, 2013, inclusive of the recommendations by the Planning Commission on April 8, 2013, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.

- b. Prior to building permit issuance, the applicants shall comply with all 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 applicants 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. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to issuance of a grading, demolition or building permit.
- g. Heritage trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance.
- h. 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.
- i. Prior to recordation of the Final Map, the existing structures shall be demolished after obtaining a demolition permit.
- j. Concurrent with the application for a Final Map, the applicant shall submit covenants, conditions and restrictions (CC&Rs) for the approval of the City Engineer and the City Attorney. The Final Map and the CC&Rs shall be recorded concurrently.
- k. 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 shall be approved prior to issuance of a grading and/or building permit.

- l. Prior to recordation of the Final Map, the applicant shall install new improvements as shown on the project plans per City standards along the entire property frontage subject to the review and approval of the Engineering Division. The applicant shall obtain an encroachment permit, from the Engineering Division, prior to commencing any work within the right-of-way. 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.
- m. 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 \$128,000 (based on \$32,000 per net new unit).
- n. Concurrent with the application for a grading and/or building permit, the applicant shall submit an updated Hydrology Report for review and approval by the Public Works Department. The Hydrology Report shall confirm that the project does not result in increased storm water runoff as measured by the peak flow rate for a 10-year storm and shall also confirm that the on-site depressed garages will not be subject to flooding during a 10-year storm. If the Hydrology Report shows an increase of runoff (over the existing conditions runoff), then the applicant shall implement modifications to the project to ensure that neither impact occurs subject to review and approval of the Planning and Engineering Divisions.
- o. Concurrent with the application for a grading and/or building permit, 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.
- p. Prior to grading and/or building permit issuance, the applicant shall provide documentation of the recordation of the Final Map at the County Recorder's Office for review and approval of the Engineering Division and the Planning Division. Application for a grading and/or building permit may be made prior to recordation.

F. REGULAR BUSINESS

- F1.** Provide direction on the State Route 101/Willow Road Interchange Project alternative ([Staff report #13-075](#))
Presentation by Fernando Bravo, Engineering Services Manager and Mohammad Suleiman, Caltrans Project Manager ([PowerPoint](#))

Public Comment

- Adina Levin thanked staff and Caltrans for listening to the community and protecting the pedestrians and cyclists and urged Council to approve the item.
- Andrew Boone asked that the Council look carefully at the details when the design phase comes forward.
- Jim Bigelow, Menlo Park Chamber of Commerce, spoke in supports of the project moving forward and suggested the Council not delay the project.

- Matt Henry stated there will continue to be a bottleneck at Bay Road and stated that there needs to be a separate pedestrian/bicycle bridge.

ACTION: Motion and second (Keith/Carlton) to approve staff recommendation of 1B Modified passes unanimously.

- F2.** Consider a resolution authorizing preliminary conditional commitment of \$2.5 million from the Below Market Rate Fund for the CORE Affordable Housing Project at the Veteran's Administration facility in Menlo Park ([Staff report #13-081](#))
Staff presentation by Starla Jerome-Robinson, Assistant City Manager

Darci Palmer made a presentation on behalf of CORE Affordable Housing. ([PowerPoint](#))

ACTION: Motion and second (Mueller/Carlton) to approve **Resolution No. 6146** authorizing preliminary conditional commitment of \$2.5 million from the Below Market Rate Fund for the CORE Affordable Housing Project at the Veteran's Administration facility in Menlo Park passes unanimously.

- F3.** Council discussion and possible recommendation on various seats for determination at the next City Selection Committee meeting scheduled for May 17, 2013 ([Staff report #13-080](#))
There were no additional letters received.

ACTION: By acclamation the Council supports Richard Garbarino for the LAFCo seat.

- F4.** Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item
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
There were no informational items.

J. COUNCILMEMBER REPORTS
There were no Councilmember reports.

K. PUBLIC COMMENT #2
There were no public comments made.

L. ADJOURNMENT

The meeting was adjourned at 11:04 p.m.

Margaret S. Roberts, MMC
City Clerk
Minutes accepted at the Council meeting of

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**CITY COUNCIL
SPECIAL MEETING MINUTES**

Monday, May 20, 2013

5:30 p.m.

**701 Laurel Street, Menlo Park, CA 94025
Council Conference Room, Administration Building**

Mayor Ohtaki called the Special Meeting to order at 5:35 p.m. with all members present.

Note: Vice Mayor Mueller is recused from item CL1 and CL2 and left the meeting at 5:37 p.m..

CL1. Conference with Legal Counsel regarding anticipated litigation (2 cases):
Government Code Section 54956.9 (a) (d)(4)

CL2. Conference with Legal Counsel regarding existing litigation (4 cases):
Government Code Section 54956.9 (a)(d)(2),(4)

(1) Town of Atherton, et al. v. California High Speed Rail Authority
Superior Court of California, County of Sacramento, Case No. 34-2008-80000022
(Atherton 1)

(2) Town of Atherton, et al. v. California High Speed Rail Authority
Superior Court of California, County of Sacramento, Case No. 34-2010-80000679
(Atherton 2)

(3) Tos et al. v. California High Speed Rail Authority et al.
Superior Court of California, County of Sacramento, Case No. 34-2011-00113919

(4) California High Speed Rail Authority et al. v. All interested Persons
Superior Court of California, County of Sacramento, Case No. 34-2013-00140689

NOTE: Vice Mayor Mueller returned to the meeting at 6:00 p.m.

CL3. Closed Session pursuant to Government Code Section 54957.6 to conference with Labor Negotiators regarding labor negotiations with the Police Officers Association (POA) and Police Management Association (PMA)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Gina Donnelly, Human Resources Director, Robert Jonsen, Police Chief, Dave Bertini, Commander

ACTION: There was no reportable action on any items discussed during closed session.

ADJOURNMENT

The meeting was adjourned at 7:05 p.m.


Margaret S. Roberts, MMC
City Clerk

Minutes accepted at the Council meeting of

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CITY COUNCIL SPECIAL AND REGULAR MEETING MINUTES

Tuesday, May 21, 2013 at 6:00 p.m.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers

Mayor Ohtaki called the Special Session to order at 6:10 p.m. with Council Member Cline absent.

SS1. Review of the City Manager's proposed 2013-14 Budget and Capital Improvement Program for the City of Menlo Park ([Staff report](#))
Staff presentation by Alex McIntyre, City Manager (*PowerPoint*)

Public Comment

- Adina Levin spoke regarding various projects in the budget.

Mayor Ohtaki called the Regular Session to order at 7:13 p.m. with Council Member Cline absent.

Mayor Ohtaki led the Pledge of Allegiance

ANNOUNCEMENTS

Mayor Ohtaki announced that there was no reportable action taken on the closed session from May 20, 2013 meeting.

A. PRESENTATIONS AND PROCLAMATIONS

Mayor Ohtaki presented City Clerk Margaret Roberts with a proclamation and roses. (*Proclamation*)

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

The City Clerk's office is accepting applications for the Environmental Quality Commission.

C. PUBLIC COMMENT #1

- Elizabeth Houck spoke regarding water issues and gray water.
- Charlie Bourne stated his reasons for resigning from the Transportation Commission.
- Steve Schmidt spoke regarding the subcommittee on the Stanford project.
- Cherie Lazlawsky spoke regarding the budget, salaries, and the priorities that should be focused on. (*Letter*)
- Adina Levin spoke regarding Consent Calendar Item D-2 and the City's response to the Grand Jury report.

NOTE: Vice Mayor Mueller left the Council Chambers at 7:29 p.m. and returned at 7:33 p.m. during the comments made regarding the Stanford property. Mayor Ohtaki announced that Vice Mayor Mueller is recused due to the proximity of previously owned property.

D. CONSENT CALENDAR

D1. Adopt a resolution giving preliminary approval of the Engineer's Report for the Menlo Park Landscaping District for Fiscal Year 2013-14 which proposes no increases to the tree or sidewalk portions of the assessment; adopt a resolution of Intent to Order the Levy and

Collection of assessments at the current rates for the Menlo Park Landscaping District for Fiscal Year 2013-14; and set the date for the Public Hearing for June 11, 2013
([Staff report #13-085](#))

ACTION: Motion and second (Keith/Ohtaki) to approve the following resolutions passes unanimously (Cline absent):

Resolution No. 6147: A Resolution of Intention of the City Council of the City of Menlo Park to order the continuation and collection of assessments for the City of Menlo Park Landscaping District for fiscal year 2013-14 pursuant to the Landscaping and Lighting Act of 1972

Resolution No. 6148: A Resolution of preliminary approval of the Engineer's Report for the assessments for the City of Menlo Park Landscaping District for fiscal year 2013-14

D2. Approve the response to the San Mateo Grand Jury Report "Water Recycling – An Important component of Wise Water Management" ([Staff report #13-083](#))
Item pulled by Mayor Ohtaki for discussion

ACTION: Motion and second (Keith/Carlton) to approve the response to the San Mateo Grand Jury Report "Water Recycling – An Important component of Wise Water Management" passes unanimously (Cline absent).

E. PUBLIC HEARINGS

E1. Consider the Planning Commission recommendation to approve the Housing Element of the General Plan and associated General Plan amendments, Zoning Ordinance amendments, rezonings and environmental review ([Staff report #13-084](#))
Staff presentation by Justin Murphy, Development Services Manager (*PowerPoint*)
([Additional handout](#))

Mayor Ohtaki opened the Public Hearing at 8:26 p.m.

Public Comment

- Philip Bahr spoke regarding second dwellings.
- Bishop Teman Bostic, Mt. Olive AOH Church of God, requested the Council move the sewage pump, evenly distribute housing throughout the city and to not rezone the Mt. Olive AOH Church of God property.
- Opha Wray, Mt. Olive AOH Church of God, stated she agrees with everything Bishop Bostic stated.
- Vicky Rubledo spoke regarding distribution of housing and the devaluation of property values.
- Steve Bitler spoke regarding secondary dwelling units, Haven Avenue and the El Camino corridor.
- Dianna Reddy urged the Council to approve the Housing Element tonight.
- Steve Pierce, Greenheart Land Co., spoke to the design standards, and market rate housing.
- Wallace Murfit, Butler Realty, spoke regarding traffic and credit against the Traffic Impact Fee.
- Vince Bressler spoke regarding the overlay.
- Tom Jackson spoke regarding secondary dwellings for seniors, ADA and height requirements in flood zones.

- Johnnie Walton spoke regarding distribution of housing and it should be considered that property owners that do not live where they own property.
- Rhovy Lyn Antonio, California Apartment Association, Tri-County Division, spoke in support of the Housing Element.
- Mark Lockenmeyer spoke regarding concerns of the industrial business in the Haven area.

Motion and second (Keith/Carlton) to close the Public Hearing at 9:02 p.m. passes unanimously (Cline absent).

The Council took a recess from 9:02 and reconvened at 9:16 p.m.

ACTION: Motion and second (Carlton/Ohtaki) to modify the language regarding bicycle parking and to add Section 16.23.055 Substandard parcel to Attachment F of the staff report passes unanimously (Cline absent).

ACTION: Motion and second (Carlton/Keith) to modify the language regarding stucco to be 80% instead of 50% passes unanimously (Cline absent).

ACTION: Motion and second (Keith/Carlton) to take the following actions, including the revisions regarding Mitigation Measures TR-1g and TR-2w (Resolution No. 6147 Exhibit A) passes unanimously (Cline absent):

Environmental Review

1. Adopt **Resolution No. 6148** of the City Council of the City of Menlo Park, Adopting the Environmental Assessment for the Housing Element Update, General Plan Consistency Update and Associated Zoning Ordinance Amendments, Making Findings, and Adopting the Mitigation and Monitoring Reporting Program (Attachment A).
2. Adopt **Resolution No. 6149** of the City Council of the City of Menlo Park, Adopting the Statement of Overriding Considerations for the Housing Element Update, General Plan Consistency Update and Associated Zoning Ordinance Amendments (Attachment B).

General Plan Amendments

3. Adopt **Resolution No. 6150** of the City Council of the City of Menlo Park, Amending the General Plan to Replace the Housing Element in its Entirety (Attachment C).
4. Adopt **Resolution No. 6151** of the City Council of the City of Menlo Park, Amending the General Plan to Update the Open Space and Conservation, Noise and Safety Elements, Modify the Land Use Designations of Medium Density Residential, High Density Residential and Limited Industry, to Delete the Land Use Designation of El Camino Real Professional/Retail Commercial, to Modify the Residential, Commercial and Industrial Use Intensity Tables, and to Change the Land Use Designation for Property Located at 1221-1275 and 1317-1385 Willow Road, 631, 711-721, 735-763, 767, 771, 777-821, and 831-851 Hamilton Avenue, and 3605-3615, 3633-3639, and 3645-3665 Haven Avenue (Attachment E).

Zoning Ordinance Amendments and Rezonings

5. Introduce an **Ordinance** of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Incorporate the R-4-S (High Density Residential, Special) District (Attachment F), which implements Housing Element Programs H4.I and H4.O.

6. Introduce an **Ordinance** of the City of Menlo Park Adding Chapter 16.98 (Affordable Housing Overlay) to Title 16 (Zoning) of the Menlo Park Municipal Code (Attachment G), which implements Housing Element Program H4.C.
7. Introduce an **Ordinance** of the City Council of the City of Menlo Park Adding Chapter 16.97 (State Density Bonus Law) to Title 16 (Zoning) of the Menlo Park Municipal Code (Attachment H), which implements the Housing Element Program H4.D.
8. Introduce an **Ordinance** of the City of Menlo Park, Amending Chapter 16.20, R-3 (Apartment) and Chapter 16.72 (Off-Street Parking) of the Menlo Park Municipal Code (Attachment I), which implements Housing Element Program H4.A.
10. Introduce an **Ordinance** of the City of Menlo Park, Rezoning Properties Located at 1221-1275 and 1317-1385 Willow Road (Attachment K).
11. Introduce an **Ordinance** of the City of Menlo Park, Rezoning Properties Located at 631, 711-721, 735-763, 767, 771, 777-821 and 831-851 Hamilton Avenue (Attachment L).
12. Introduce an **Ordinance** of the City of Menlo Park, Rezoning Properties Located at 3605-3615, 3633-3639, and 3645-3665 Haven Avenue (Attachment M or N).
13. Introduce an **Ordinance** of the City of Menlo Park, Amending Title 16 of the Menlo Park Municipal Code to Eliminate Zoning Districts (C-4 General Commercial – Applicable to El Camino Real, M-1 Light Industrial District, and P-D District) for which No Properties are Zoned (Attachment O).

ACTION: The Council requested that the below item return on the June 4, Council meeting for discussion.

9. Introduce an **Ordinance** of the City of Menlo Park, Amending Chapter 16.79, Secondary Dwelling Units of the Menlo Park Municipal Code (Attachment J), which implements the Housing Element Program H4.E.

F. REGULAR BUSINESS

F1. Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item
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

There were no informational items.

J. COUNCILMEMBER REPORTS

There were no Councilmember reports.

K. PUBLIC COMMENT #2

There were no public comments made.

L. ADJOURNMENT

The meeting was adjourned at 12:43 a.m.

Margaret S. Roberts, MMC
City Clerk

Minutes accepted at the Council meeting of

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OFFICE OF THE CITY MANAGER

Council Meeting Date: June 4, 2013
Staff Report #: 13-092

Agenda Item #: E-1

PUBLIC HEARING: **Review of the City Manager’s Proposed 2013-14 Budget and Capital Improvement Program for the City of Menlo Park; and Consideration of the Revised Long-Term Financial Forecast**

RECOMMENDATION

Staff recommends that the City Council hold a public hearing, and review and provide direction on the City Manager’s proposed 2013-14 Budget and Capital Improvement Program and revised Long-Term Financial Forecast for the City of Menlo Park.

BACKGROUND

The last five years have been a difficult time financially for the City of Menlo Park. Previous financial actions have been concentrated on long term strategies for fiscal stabilization. Financially, there are indicators that the City is turning a corner, including the recently voter-approved 2% Transient Occupancy Tax increase to 12% and the recently negotiated contribution from Facebook. Still, despite the improving outlook, the Fiscal Year 2013-14 Proposed Budget remains “status quo” to ensure the economy has truly stabilized.

The Proposed Budget is balanced and focuses on long-term fiscal strength and alignment with the Council-adopted goals, City Operating Principles and Budget Development Principles. Of significance, the proposed budget and Capital Improvement Plan include two new important investment initiatives:

- Funding for implementation of technological upgrades following a Technology Master Plan study, and
- Funding for the State-required General Plan Update.

ANALYSIS

The Fiscal Year 2013-14 City Manager’s Proposed Budget was presented during the May 21st City Council Study Session. Since then, staff continues to refine the projections and now, the proposed Total Budget (all funds) for 2013-14 is \$75,873,607; this is approximately \$400,000 more than what was originally projected at the Study Session. Staff reviewed other funds more closely since the Study Session and

identified a couple of line items in the Water Fund which had been excluded. A link to the May 21st Study Session report follows:

<http://www.menlopark.org/council/staffreport/SS1-Budget.pdf>

This does not change the proposed General Fund 2013-14 outlook.

| General Fund | |
|---------------------|-------------------|
| Revenues | \$42,549,847 |
| Expenditures | <u>42,347,339</u> |
| Surplus | \$ 202,508 |

As proposed, the General Fund budget is balanced and was developed without drawing down fund balance reserves.

This report focuses on the general direction received from the Council at the May 21st Study Session, in three key areas:

- An update of the impact of future CalPERS increases as it relates to the 10-Year Forecast;
- The possibility of additional financial requirements on the General Fund due to the reduced availability of funding from other Funds; and
- An update on the proposed Police Substation.

CalPERS

Staff has updated the assumptions and projections incorporated in the City's 10-Year financial forecast for the General Fund. This long term forecast provides an illustration of the City's ability to meet obligations beyond the current budget cycle, providing important context to the annual budget process. The revised long-term forecast (Attachment A) reflects the maintenance of existing programs at the current level of service, but now incorporates best long term estimates for possible increases in future employee pension costs using the "Asset Volatility Rate" factor proposed by CalPERS. However, the updated 10-Year Forecast does not reflect any known, but not initiated, new major revenues sources that might be available in the future (e.g., Bohannon's Gateway project).

The revised 10-year forecast for the General Fund shows a significant increase in employee benefit expenditures for that period. However, with increases in revenues, the General Fund will be able to absorb the increased cost but will significantly reduce any projected surpluses. This will limit the General Fund's ability to absorb other unanticipated costs increases over the years.

Other Funds

There are several funds that staff is carefully monitoring, which may ultimately become reliant on the General Fund or other sources of funding, which City Council should be aware of:

Storm Water Quality Management Fund – This fund’s balance has declined steadily from a balance of \$965,000 in 2001-02 to an estimated fund balance of less than \$270,000 as of June 30, 2013. The Municipal Regional Permit (MRP), developed in 2008-09, mandated numerous new requirements for storm water management programs in the Bay Area. Revenues of the fund are derived from special assessment taxes of approximately \$300,000 annually. The fund balance will be further reduced in the 2013-14 fiscal year, and future budgetary support of storm water programs will either have to be limited to the annual tax revenues, or borne by the General Fund until a new funding source is pursued. As a means of alleviating some of the pressure off of this fund, in 2012, the Council approved shifting a portion of the cost of participation in the San Francisquito Creek Joint Powers Authority (SFCJPA) from the Storm Water Fund to the General Fund. San Mateo County is exploring a countywide assessment that, if approved, may provide some financial relief to this fund.

Bedwell-Bayfront Park Fund – The 160-acre park, located at Marsh Road and Highway 84, was used as a solid waste landfill from 1957 to 1984. In 1968, the City took ownership and responsibility for the landfill and its eventual post-closure maintenance. Bayfront Park was built over the landfill in phases, starting in 1982 and completed in 1995. At that time, fees collected up to the point of the landfill closure created a “sinking fund” that has been used to fund current Bedwell-Bayfront Park maintenance costs.

The fund balance of the Bedwell-Bayfront Park Maintenance Fund is estimated to be approximately \$650,000 at June 30, 2013. Interest on the remaining fund balance is the only revenue source for this fund. Revenues have declined as investment yields have decreased, causing the fund’s cash balance to drop more rapidly than anticipated. The eventual depletion of the fund balance, at a rate of \$75,000 a year, continues to be a concern. Ultimately, the roads that access the area and pathways that traverse the Park will require major repairs. Any capital expenses to the Park Maintenance Fund will only accelerate the decline of that fund’s reserve. Once the Park’s “sinking fund” has been expended, other funding sources, most likely the General Fund, will need to be identified for the Park’s continued operations.

Peninsula Partnership Grant Fund – This fund was created to account for the local grants used to improve the quality of life for children and their families in the Belle Haven neighborhood through the Community School effort. For the Fiscal Year 2012-13, approximately 50 percent of the total costs of the program were anticipated, leaving this fund with an estimated deficit of approximately \$70,000 at year end. Staff continues to seek grant funding to close the gap on this outstanding balance. Although the position assigned to this fund is fully funded for next year, with the resignation of the incumbent, the staff is exploring shifting the service model from employer to “funder”. This change is still in transition, with further details and timelines to follow.

Traffic Congestion Management Fund – The revenues for this fund are no longer being separated by the State and are being included in the Highway Users Tax (Gas Tax). Since the permitted uses of these monies are very similar to the uses of the Highway Users Tax, it no longer seemed necessary to provide separate accounting of these revenues. This fund is being used on the Street Resurfacing Project and will be eliminated by the end of the 2012-13 fiscal year.

Public Library Fund – The State is no longer funding this program so spending has been sparse and used only for special items. The fund balance is estimated to be a little over \$73,000 at the end of fiscal year 2013-14. This fund will be phased out over future years.

Police Substation

Under a separate agenda item, the Council will be asked to consider entering into a lease agreement to relocate the existing Police substation to Willow Road and Hamilton Avenue. Facebook has generously partnered with the City to supplement any lease increases above that which is already reflected in this budget as well as bear the full cost for tenant improvements.

There are yet-to-be estimated cost impacts to the proposed operating budget for the new site (e.g., utilities, maintenance, etc.) that will be calculated once the Council has identified and agreed to specific uses for the new site. These can be reflected in a future budget amendment.

IMPACT ON CITY RESOURCES

The budget for the 2013-14 fiscal year is balanced and provides for projected revenues which exceed anticipated expenditures in the General Fund by approximately \$202,000. Although the City is improving financially through a growing economy, the proposed budget does not contain any significant service restorations or new programs. The General Fund transfer out to the City's CIP Fund for infrastructure improvement has been increased for inflation, and the Utility Users Tax rates are assumed to remain at the current reduced level of one percent for all utilities.

Estimated increases or decreases to other fund balances are shown on pages 165 through 170 of the proposed Budget Report. Every effort has been made to identify all of the necessary and approved costs to be incurred in the fiscal period. The long-term forecast has been updated to assist decision makers in financial strategies for the long term.

The proposed 5-year CIP is also attached (Attachment B).

POLICY ISSUES

Presentation of the City Manager's proposed budget is consistent with the City's budgeting process and represents no changes in City policy.

ENVIRONMENTAL REVIEW

Environmental review is not required.

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. Revised 10-Year General Fund Forecast
- B. Proposed CIP

Report prepared by:
Alex D. McIntyre
City Manager

General Fund 10-Year Projection ⁽¹⁾

| Revenue Categories | Adjusted Budget 2013 | Proposed Budget 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) \$13,955,000 | (2) \$14,732,075 | \$15,321,358 | \$15,934,212 | \$16,571,581 | \$17,234,444 | \$17,923,822 | \$18,640,775 | \$19,386,406 | \$20,161,862 | \$20,968,336 |
| Sales Tax | 6,280,000 | (3) 6,331,400 | (3) 6,527,060 | (3) 6,382,288 | (3) 6,564,121 | 6,845,063 | 7,121,141 | 7,408,376 | 7,707,219 | 8,018,142 | 8,341,634 | 8,678,203 |
| Transient Occupancy Tax | 3,326,000 | (4) 3,743,000 | 3,892,720 | 4,048,429 | 4,210,366 | 4,378,781 | 4,553,932 | 4,736,089 | 4,925,533 | 5,122,554 | 5,327,456 | 5,540,554 |
| Utility Users' Tax | 1,165,499 | (5) 1,184,620 | 1,231,045 | 1,279,327 | 1,329,540 | 1,381,761 | 1,436,072 | 1,492,555 | 1,551,297 | 1,612,389 | 1,675,924 | 1,742,001 |
| Franchise Fees | 1,873,500 | 1,812,300 | 1,884,792 | 1,960,184 | 2,038,591 | 2,120,135 | 2,204,940 | 2,293,138 | 2,384,863 | 2,480,258 | 2,579,468 | 2,682,647 |
| Licenses and Permit (6) | 4,326,465 | 4,459,465 | 4,497,847 | 4,645,751 | 4,799,559 | 5,059,171 | 5,225,452 | 5,398,374 | 5,578,201 | 5,765,211 | 6,059,250 | 6,261,625 |
| Intergovernmental Revenue | 838,130 | 741,704 | 771,372 | 802,227 | 834,316 | 867,689 | 902,396 | 938,492 | 976,032 | 1,015,073 | 1,055,676 | 1,097,903 |
| Fines & Forfeitures | 991,400 | 1,319,980 | 1,372,779 | 1,427,690 | 1,484,798 | 1,544,190 | 1,605,957 | 1,670,196 | 1,737,004 | 1,806,484 | 1,878,743 | 1,953,893 |
| Interest & Rent Income | 752,018 | (7) 777,712 | (7) 810,420 | (7) 844,437 | 879,815 | 916,607 | 954,872 | 994,667 | 1,036,053 | 1,079,095 | 1,123,859 | 1,170,414 |
| Charges for Services | 7,080,246 | 7,795,222 | (8) 8,028,029 | (8) 8,325,302 | 8,645,181 | 8,977,790 | 9,323,637 | 9,683,252 | 10,057,184 | 10,446,007 | 10,850,316 | 11,284,328 |
| Donations | 31,050 | 31,050 | 32,292 | 33,584 | 34,927 | 36,324 | 37,777 | 39,288 | 40,860 | 42,494 | 44,194 | 45,962 |
| Other Financing Sources | 389,074 | 398,396 | 414,330 | 430,903 | 448,139 | 466,065 | 484,707 | 504,096 | 524,259 | 545,230 | 567,039 | 589,720 |
| Total Revenues | \$ 40,906,382 | ##### | \$44,194,761 | \$45,501,480 | \$47,203,565 | \$49,165,156 | \$51,085,327 | \$53,082,342 | \$55,159,280 | \$57,319,343 | \$59,665,421 | \$62,015,586 |
| Expenditure Categories | | | | | | | | | | | | |
| Salaries and Wages (9) | \$20,400,319 | \$21,080,312 | \$21,712,721 | \$22,581,230 | \$23,484,479 | \$24,423,859 | \$25,400,813 | \$26,416,845 | \$27,473,519 | \$28,572,460 | \$29,715,358 | \$30,903,973 |
| Benefits (10) | 7,886,634 | 8,260,286 | 8,631,999 | 9,063,599 | 9,489,588 | 9,935,599 | 10,402,572 | 10,891,493 | 11,327,152 | 11,780,238 | 12,251,448 | 12,741,506 |
| Operating Expense | 3,070,986 | 3,174,428 | 3,301,405 | 3,433,461 | 3,570,800 | 3,713,632 | 3,862,177 | 4,016,664 | 4,177,331 | 4,344,424 | 4,518,201 | 4,698,929 |
| Utilities | 1,176,516 | 1,197,111 | 1,244,995 | 1,294,795 | 1,346,587 | 1,400,451 | 1,456,469 | 1,514,727 | 1,575,316 | 1,638,329 | 1,703,862 | 1,772,017 |
| Services | 3,917,937 | 4,392,366 | (11) 4,062,939 | (11) 4,127,946 | 4,293,063 | 4,464,786 | 4,643,377 | 4,829,112 | 5,022,277 | 5,223,168 | 5,432,095 | 5,649,379 |
| Fixed Assets and Capital Outlay | 419,271 | 372,611 | 387,515 | 403,016 | 419,137 | 435,902 | 453,338 | 471,472 | 490,331 | 509,944 | 530,342 | 551,555 |
| Travel | 59,480 | 72,705 | 75,613 | 78,638 | 81,783 | 85,055 | 88,457 | 91,995 | 95,675 | 99,502 | 103,482 | 107,621 |
| Repairs and Maintenance | 908,588 | 882,419 | 917,716 | 954,424 | 992,601 | 1,032,305 | 1,073,598 | 1,116,542 | 1,161,203 | 1,207,651 | 1,255,957 | 1,306,196 |
| Special Projects Expenditures | 369,455 | 360,500 | 374,920 | 389,917 | 405,513 | 421,734 | 438,603 | 456,148 | 474,393 | 493,369 | 513,104 | 533,628 |
| Capital and Transfers Out | 2,464,328 | 2,554,600 | 2,656,784 | 2,763,055 | 2,873,578 | 2,988,521 | 3,108,062 | 3,232,384 | 3,361,679 | 3,496,146 | 3,635,992 | 3,781,432 |
| Total Expenditures | \$40,673,514 | \$42,347,338 | \$43,366,608 | \$45,090,082 | \$46,957,130 | \$48,901,842 | \$50,927,465 | \$53,037,382 | \$55,158,877 | \$57,365,232 | \$59,659,841 | \$62,046,235 |
| Total Impact to Fund Balance | \$232,868 | \$ 202,511 | \$828,153 | \$411,398 | \$246,435 | \$263,314 | \$157,862 | \$44,961 | \$403 | (\$45,889) | \$5,579 | (\$30,649) |

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 5.6% in 2013-14 and 4.5% by 2014-15; Facebook tenant improvements complete by 2014-15; Excess ERAF decrease 50% onward.
- (3) Sales Tax to grow 1.5% in 2013-14; includes two years of In-Lieu Sales Use tax 2013-14 and 2014-15; State of California Triple Flip ends in 2017.
- (4) TOT rate increase January 2013 from 10% to 12%; 2013-14 full year at 12% tax rate. Does not include any new hotels/motels.
- (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%; years after earnings to grow 4% onward.
- (8) Charges for Services - Planning Fees decrease as projects are completed.
- (9) Salaries & Wages includes 4% Cost of Living Adjustment (COLA).
- (10) CalPERS rate increases assumed through 2015; includes CalPERS asset volatility ratio through 2020.
- (11) Services decrease in 2014-15 and 2015-16 due to less demand for contract services in Community Development as projects are completed.

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 26 new projects recommended for implementation commencing in FY 2013/14 and 52 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.

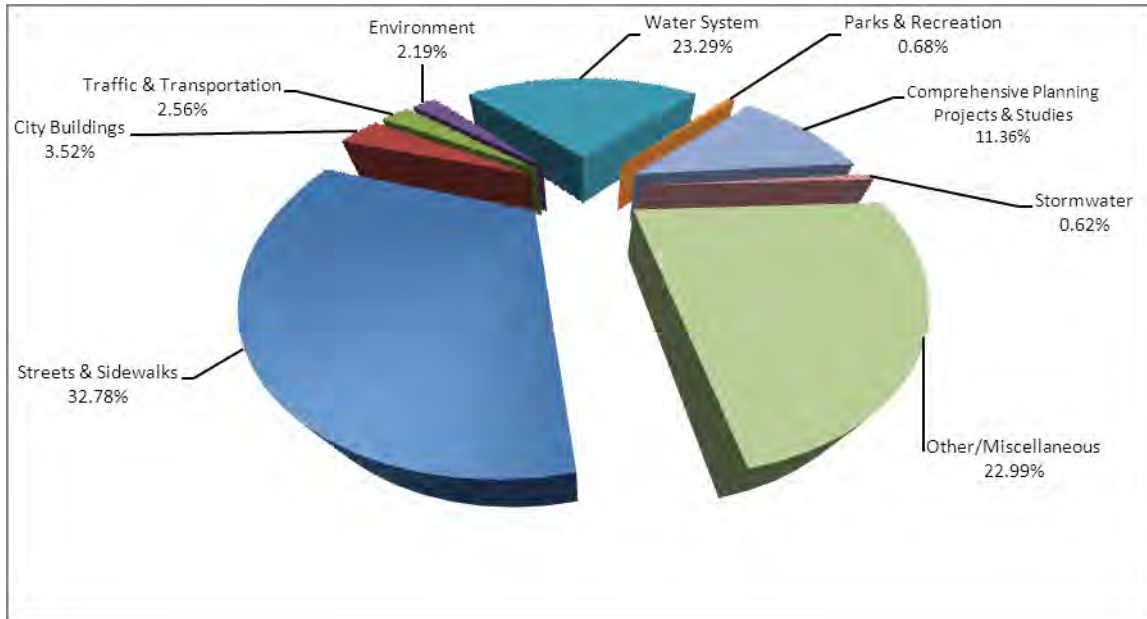
New capital projects and projects involving maintenance of current infrastructure proposed for FY 2013/14 are listed in Appendix A and described in detail in Appendix E. Projects approved in prior fiscal years that have not yet been completed are listed in Appendix B.

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 | 5,770,000 | 32.78 % |
| City Buildings | 620,000 | 3.52% |
| Traffic & Transportation | 450,000 | 2.56% |
| Environment | 385,000 | 2.19% |
| Water System | 4,100,000 | 23.29% |
| Parks & Recreation | 120,000 | 0.68% |
| Comprehensive Planning Projects & Studies | 2,000,000 | 11.36% |
| Stormwater | 110,000 | 0.62% |
| Other/Miscellaneous | 4,047,000 | 22.99% |
| TOTALS | \$17,602,000 | 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 were presented to the Planning Commission during a Public Hearing on May 6, 2013 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. |
| 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 | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |
| 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 | \$5,770,000 | \$705,000 | \$5,670,000 | \$1,050,000 | \$5,670,000 | \$18,865,000 |

| | | | | | | |
|--|------------------|------------------|------------------|------------------|--------------------|--------------------|
| 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 | 200,000 | - | - | - | 300,000 | 500,000 |
| TOTAL | \$620,000 | \$410,000 | \$682,000 | \$300,000 | \$1,285,000 | \$3,297,000 |

A.1 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 |

A.1 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 |
| Sharon Heights Pump Station Replacement | 1,300,000 | - | - | - | - | 1,300,000 |
| 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 | \$4,100,000 | \$120,000 | \$350,000 | \$3,400,000 | \$1,200,000 | \$9,170,000 |

| | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|--------------------|
| 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) | 2,000,000 | TBD | TBD | TBD | TBD | 2,000,000 |
| Housing Element Implementation Programs-Ordinances and Policies | TBD | TBD | TBD | TBD | TBD | TBD |
| TOTAL | \$2,000,000 | \$0 | \$0 | \$0 | \$0 | \$2,000,000 |

| | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|--------------------|
| 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 |

A.1 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 | TBD | TBD | TBD | TBD | TBD |
| Improved Infrastructure for the Delivery of Electronic Library Services-Study | 37,000 | - | - | - | - | 37,000 |
| 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 |
| Technology Master Plan and Implementation | 3,111,000 | TBD | TBD | TBD | TBD | 3,111,000 |
| TOTAL | \$4,047,000 | \$6,258,500 | \$425,000 | \$235,000 | \$410,000 | \$11,375,500 |
| FISCAL YEAR TOTALS | \$17,602,000 | \$11,998,500 | \$9,047,000 | \$6,310,000 | \$9,415,000 | \$54,372,500 |

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 | 10,886,000 | 3,978,000 | 3,916,500 | 2,516,500 | 2,974,500 | |
| 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 |
| General Plan Update (M-2 Plan) | 2,000,000 | TBD | TBD | TBD | TBD | 2,000,000 |
| 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 | TBD | TBD | TBD | TBD | TBD |

A.2 Projects by Funding Source

| Funding Source | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | TOTAL |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|
| General Fund - CIP - Continued | | | | | | |
| Housing Element Implementation Programs-Ordinance and Policies | TBD | TBD | TBD | TBD | TBD | TBD |
| Improved Infrastructure for the Delivery of Electronic Library Services-Study | 37,000 | - | - | - | - | 37,000 |
| Installation of Electric Plug In Recharging Stations Cost Benefit Analysis and Plan | - | - | 30,000 | - | - | 30,000 |
| 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 | 200,000 | - | - | - | 300,000 | 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 |
| Technology Master Plan and Implementation | 3,111,000 | TBD | TBD | TBD | TBD | 3,111,000 |
| Trash Capture Device Installation | - | - | 60,000 | - | - | 60,000 |
| Willow Oaks Dog Park Renovation | - | 50,000 | 250,000 | - | - | 300,000 |
| Total | 9,292,000 | 5,343,500 | 3,880,000 | 2,020,000 | 3,815,000 | 24,350,500 |
| Ending Fund Balance | 3,978,000 | 3,916,500 | 2,516,500 | 2,974,500 | 1,635,500 | |

¹ The available fund balance for FY 13-14 includes \$1.1m received from Facebook, 1.23m from Stanford received in FY 2012-13, and one time revenues (5m) for Comprehensive Planning and Technology Projects.

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

A.2 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 | 1,490,000 | 2,435,000 | 2,380,000 | 3,325,000 | |
| Revenues | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | |
| 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 | 1,490,000 | 2,435,000 | 2,380,000 | 3,325,000 | 3,270,000 | |

| | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| 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.

A.2 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 | - | - | - | - | - | |

A.2 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 | 149,000 | 139,000 | 134,000 | 134,000 | |
| 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 | 280,000 | 180,000 | 180,000 | 180,000 | 180,000 | 1,000,000 |
| Total | 280,000 | 180,000 | 180,000 | 180,000 | 180,000 | 1,000,000 |
| Ending Fund Balance | 149,000 | 139,000 | 134,000 | 134,000 | 139,000 | |

| | | | | | | |
|---|---------|---------|---------|---------|---------|--------|
| 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 | |

A.2 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 | - | - | - | - | - | |

A.2 Projects by Funding Source

| Funding Source | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | TOTAL |
|---|------------------|----------------|----------------|------------------|------------------|------------------|
| Water Fund - Capital | | | | | | |
| Available Balance | 4,400,000 | 1,064,000 | 1,706,000 | 2,116,000 | (526,000) | |
| 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 |
| Sharon Heights Pump Station Replacement | 1,300,000 | - | - | - | - | 1,300,000 |
| 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 | 4,100,000 | 120,000 | 350,000 | 3,400,000 | 1,200,000 | 9,170,000 |
| Ending Fund Balance | 1,064,000 | 1,706,000 | 2,116,000 | (526,000) | (970,000) | |

| | | | | | | |
|---------------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|
| FISCAL YEAR TOTALS | 17,602,000 | 11,998,500 | 9,047,000 | 6,310,000 | 9,415,000 | 54,372,500 |
|---------------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|

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 | TBD | TBD | TBD | TBD | 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 |
| Sharon Heights Pump Station Replacement | 1,300,000 | - | - | - | - | 1,300,000 |
| Sidewalk Master Plan Implementation | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 500,000 |
| Sidewalk Repair Program | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |
| 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 |

A.3 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 | 10,835,000 | 7,770,000 | 7,075,000 | 4,925,000 | 7,340,000 | 37,945,000 |

| | | | | | | |
|--|----------------|------------------|------------------|----------------|------------------|------------------|
| 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 | 200,000 | - | - | - | 300,000 | 500,000 |
| TOTAL | 670,000 | 1,000,000 | 1,107,000 | 965,000 | 1,525,000 | 5,267,000 |

A.3 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) | 2,000,000 | TBD | TBD | TBD | TBD | 2,000,000 |
| Housing Element Implementation Programs-Ordinances and Policies | TBD | TBD | TBD | TBD | TBD | TBD |
| TOTAL | 2,000,000 | - | - | - | - | 2,000,000 |

| | | | | | | |
|--|----------|---------------|----------------|----------|----------|----------------|
| 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 |

A.3 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 |
| Technology Master Plan and Implementation | 3,111,000 | TBD | TBD | TBD | TBD | 3,111,000 |
| TOTAL | 3,186,000 | - | - | - | - | 3,186,000 |

| | | | | | | |
|--------------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|
| FISCAL YEAR TOTAL | 17,602,000 | 11,998,500 | 9,047,000 | 6,310,000 | 9,415,000 | 54,372,500 |
|--------------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|

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

| | | |
|--------|--|--|
| Legend |  FY 2012/13 |  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) | On-Hold | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Safe Routes to Hillview School Project Implementation | [FY 2007/08] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Santa Cruz Avenue Sidewalk Preliminary Design Phase | [FY 2008/09] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Shuttle Service to the Menlo Park Caltrain Station Study | [FY 2008/09] | | | | | | | | | | | | On-Hold | | | | | | | | | | | | | | | | | | | | | | | | |
| Safe Routes to Encinal School Plan Implementation | [FY 2008/09] | | | | | | | | | | | | On-Hold | | | | | | | | | | | | | | | | | | | | | | | | |
| Middle Avenue Bike Lane Feasibility Study | [FY 2009/10] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Safe Route to Valparaiso Avenue Plan | [FY 2009/10] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High Speed Rail Coordination | [FY 2009/10] | | | | | | | | | | | | On going | | | | | | | | | | | | | | | | | | | | | | | | |
| Linfield/Middlefield Crosswalk | [FY 2010/11] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sand Hill Road/Branner Signal Mast Arm Construction | [FY 2010/11] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Willow Road Signal Interconnect | [FY 2011/12] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oak Grove/Merrill Intersection Lighted Crosswalk | [FY 2011/12] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Safe Routes to Oak Knoll School Design | [FY 2011/12] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alpine Road Bike Improvement Project | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Willow Road Improvements at Newbridge and Bayfront Expressway | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sidewalk Master Plan Implementation | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Maintenance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reservoirs #1 and #2 Mixers | [FY 2008/09] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reservoir Re-roofing | [FY 2009/10] | | | | | | | | | | | | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | |
| Hillview School Fields Renovation | [FY 2010/11] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Belle Haven Pool Boiler/Pumps Upgrades | [FY 2011/12] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Downtown Irrigation Replacement | [FY 2011/12] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Administration Building Emergency Generator | [FY 2011/12] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water Conservations Upgrade for City Facilities | [FY 2011/12] | | | | | | | | | | | | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | |
| El Camino Tree Planting | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Belle Haven Child Development Center Outdoor Play Space Remodel | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Park Improvements (Minor) 2012-13 | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| City Buildings (Minor) 2012-13 | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Police Parking Lot Security | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Council Chambers Mics/Voting Equipment | [FY 2012/13] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p align="center">Legend</p> <table border="0"> <tr> <td>[FY 2012/13]</td> <td>[Design Phase]</td> </tr> <tr> <td>[FY 2011/12]</td> <td>[Design Phase]</td> </tr> <tr> <td>[FY 2010/11]</td> <td>[Design Phase]</td> </tr> <tr> <td>[FY 2009/10]</td> <td>[Design Phase]</td> </tr> <tr> <td>[FY 2008/09]</td> <td>[Design Phase]</td> </tr> <tr> <td>[FY 2007/08]</td> <td>[Design Phase]</td> </tr> <tr> <td>[FY 2006/07]</td> <td>[Design Phase]</td> </tr> </table> | | | | | | | | | | | | | | | | | | | | | | | | [FY 2012/13] | [Design Phase] | [FY 2011/12] | [Design Phase] | [FY 2010/11] | [Design Phase] | [FY 2009/10] | [Design Phase] | [FY 2008/09] | [Design Phase] | [FY 2007/08] | [Design Phase] | [FY 2006/07] | [Design Phase] |
| [FY 2012/13] | [Design Phase] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| [FY 2011/12] | [Design Phase] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| [FY 2010/11] | [Design Phase] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| [FY 2009/10] | [Design Phase] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| [FY 2008/09] | [Design Phase] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| [FY 2007/08] | [Design Phase] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| [FY 2006/07] | [Design Phase] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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. |
| 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. |
|---------------------------------------|---------|--|

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. |
|---|-----|--|

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 4 th of July. |
| 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

| | | |
|---|---------|---|
| Baby Pool Analysis/Preliminary Design | 2017-18 | 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. |
|---|---------|---|

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) | 2,000,000 | 2,000,000 |
| 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 |
| 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 |
| Retractable Lights Installation at Gymnasium and Gymnastics | 200,000 | 500,000 |
| Sand Hill Road Pathway Repair | 50,000 | 300,000 |
| Sharon Heights Pump Station Replacement | 1,300,000 | 1,300,000 |
| Sidewalk Master Plan Implementation | 100,000 | 500,000 |
| Technology Master Plan and Implementation | 3,111,000 | 3,111,000 |

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 | 400,000 | 1,600,000 |
| 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

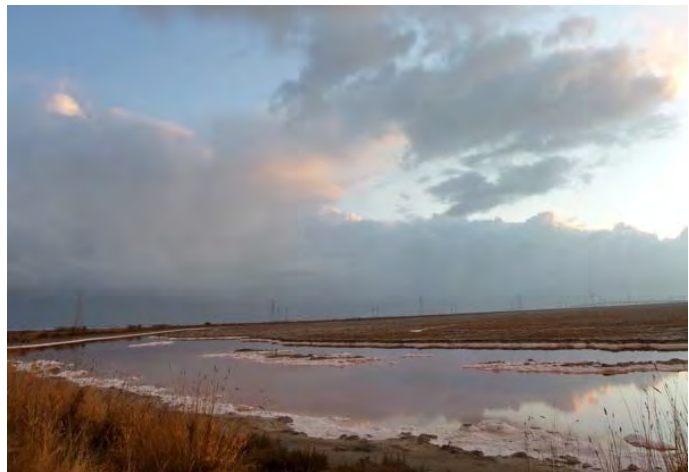
This project will remove an interior wall and adjacent staff office to expand the sorting capacity of the automated materials handling system installed in FY 2012-13. In FY 2012-13 the library installed an automated materials return (self-check-in) and an automated materials handling system to improve 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 |
|---------------------------|------------------|------------|------------|------------|------------|------------------|
| General Fund - CIP | 2,000,000 | TBD | TBD | TBD | TBD | 2,000,000 |
| Sub-total | 2,000,000 | TBD | TBD | TBD | TBD | 2,000,000 |

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 |

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

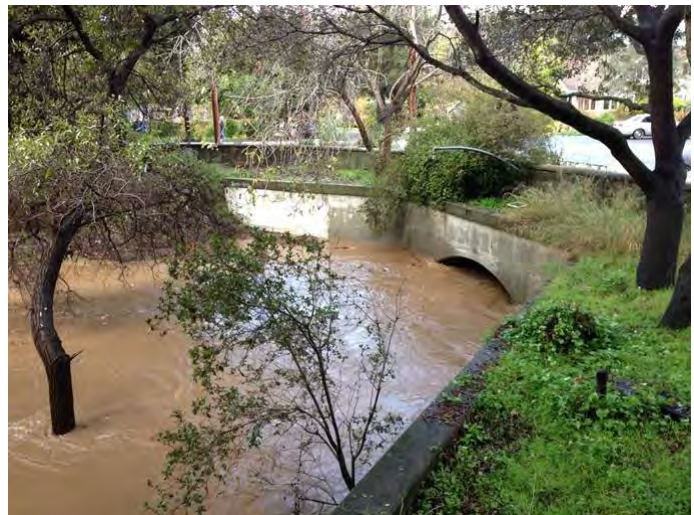
This project will convert all library materials from current barcode system to more reliable RFID format. Install new patron self checkout stations, concurrent with previously approved circulation area remodel.



| 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 |

Retractable Lights Installation at Gymnasium and Gymnastics

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.



| FUNDING SOURCE | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | TOTAL |
|--------------------|----------------|----------|----------|----------|----------------|----------------|
| General Fund - CIP | 200,000 | - | - | - | 300,000 | 500,000 |
| Sub-total | 200,000 | - | - | - | 300,000 | 500,000 |

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 |

Sharon Heights Pump Station Replacement

The project consists of installing a new pump station prior for the Sharon Heights Neighborhood. A temporary pump station consists of three similar pumps, stationary electrical generator and communication connections. The temporary pump station will be located on an adjacent parcel and will remain in operation while the permanent pump station is built. During the duration of the project the contractor will be required to operate the temporary pump station 24/7 until the permanent pump station is operational and respond to emergencies within one hour.



| FUNDING SOURCE | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | TOTAL |
|---------------------|------------------|----------|----------|----------|----------|------------------|
| Water Fund- Capital | 1,300,000 | - | - | - | - | 1,300,000 |
| Sub-total | 1,300,000 | - | - | - | - | 1,300,000 |

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 |

Technology Master Plan and Implementation

This project would include updated technology for various areas of the City to perform critical and enhanced services including the financial system, web services, graphical information services and other systems within the City. The first phase would include 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 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. The second phase would include implementation of the approved master plan with the funding available in the project. Additional funding may be necessary once the master plan is completed.



| FUNDING SOURCE | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | TOTAL |
|--------------------|------------------|----------|----------|----------|----------|------------------|
| General Fund - CIP | 3,111,000 | TBD | TBD | TBD | TBD | 3,111,000 |
| Sub-total | 3,111,000 | - | - | - | - | 3,111,000 |

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

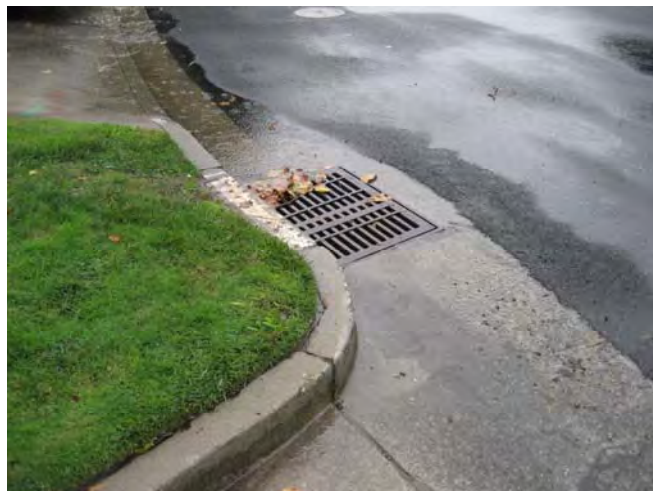
This ongoing project consists of removing hazardous sidewalk offsets and replacing sidewalk sections that have been damaged by City tree roots in order to eliminate trip hazards.



| 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 | 280,000 | 180,000 | 180,000 | 180,000 | 180,000 | 1,000,000 |
| Sub-total | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |

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 |



PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 4, 2013
Staff Report #: 13-089

Agenda Item #: F-1

REGULAR BUSINESS: **Adopt a Twenty Seven Percent Community Wide Greenhouse Gas Emissions Reduction Target**

RECOMMENDATION

Staff recommends that Council adopt a 27% community wide greenhouse gas emissions reduction target below 2005 baseline emissions by 2020.

BACKGROUND

In 2009, the City Council adopted a Climate Action Plan (CAP). Following this, a Supplemental Assessment Report (Attachment A) was adopted in July 2011 that clarified, updated and weighed strategies over a five year period, provided a cost benefit analysis methodology to evaluate measures before implementation, and provided annual community greenhouse gas emissions (GHG) inventory updates.

One of the recommended next steps of GHG reduction strategies identified in the 2011 Assessment Report included considering adoption of a community greenhouse gas reduction target. Staff presented three reduction targets in the 2011 Assessment Report, which were 10%, 17%, and 27% below 2005 baseline emissions by 2020. Council requested that staff obtain community feedback on a reduction target before making a final decision.

Based on this direction, staff advertised and organized two evening workshops for the public in October 2011. Attendance at both workshops was low. The results of the workshops were brought to the Environmental Quality Commission (EQC) in November 2011. The EQC recommended that staff send an electronic survey to the Green Ribbons Citizen Committee (GRCC) members and the Chamber of Commerce to cast a wider net of feedback; twelve responses were received. The EQC also agendized the reduction targets at their September, November, and December 2011 meetings. The recommendation from the EQC is to adopt a 27% reduction target. Their full recommendation and report is included as Attachment B.

Staff presented these results to Council in a study session report on March 13, 2012, and resulted in Council expressing interest in the 27% reduction target that would be in line with the State's AB 32 goal to reduce statewide emissions to 1990 levels by 2020 and 80% below 1990 levels by 2050, but wanted further information about funding.

On April 2, 2013, staff and the EQC provided an in-depth presentation on potential funding mechanisms at a Council study session, and resulted in the majority of Council being in support of adopting the 27% reduction target. The presentation provided at the study session is attached as Attachment C. Also, a list of Cities that have adopted a target is included as Attachment D.

ANALYSIS

The adoption of a reduction target would provide a goal for the City to achieve. Staff along with the EQC would then continue to review ways to meet the target through various means. These include grants, public/private partnerships, other funding sources, and through the City's 5-year CIP process. Staff will provide updates to Council as further information is available that would work toward the target.

IMPACT ON CITY RESOURCES

Adopting a target will require additional funding to complete CAP activities and some of the activities will be considered in the Capital Improvement Program annually. The proposed fiscal year 2013-14 budget has provided a nominal \$50,000 to begin work on this initiative. Once a target is adopted, staff and the EQC will seek further funding opportunities on an ongoing basis. Additional staff time will also be needed to implement GHG reduction measures once funding has been secured. Staff will provide an update to Council as further information is available.

POLICY ISSUES

Setting a GHG reduction target is consistent with the CAP's five year strategies adopted by Council in July 2011 and is a goal, not a requirement. Therefore there would be no financial penalty if the City does not achieve the GHG reduction target.

ENVIRONMENTAL REVIEW

No environmental review is necessary.

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. Climate Action Plan Assessment
- B. EQC Report to City Council on Adopting a Target
- C. Presentation provided at April 2, 2013 Council Study Session
- D. Other Cities Greenhouse Gas Reduction Targets

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July 2011

Climate Action Plan Assessment Report



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Executive Summary

The purpose of Menlo Park's Climate Action Plan (CAP) is to provide strategies that reduce greenhouse gas (GHG) emissions and assist Menlo Park to meet or exceed the emissions reduction targets of AB 32 (California's Global Warming Solutions Act of 2006). AB 32 sets a goal for the state to reduce greenhouse gas emissions to 1990 levels by 2020, and 80% below 1990 levels by 2050.

The Climate Action Plan was approved by the City Council in May 2009 and the Council stated that the Climate Action Plan was intended to be a 'living document' to be updated periodically as current strategies are implemented and as new emission reduction strategies and technologies emerge that effectively reduce emissions. The City Council directed staff to complete 'Climate Action Plan Supplemental Research' in coordination with a consultant to complete additional research on the GHG reduction strategies. Staff and CSG Consultants completed a high level assessment of its 2009 Climate Action Plan that included the following tasks:

1. Complete a GHG Emissions Forecast for 2020
2. Complete Community Greenhouse Gas (GHG) Inventories from 2005 to 2009 to assist in setting a GHG reduction goal for 2020
3. Complete a high level review of new and existing community and municipal GHG emission reduction strategies over a five years
4. Develop a cost-benefit methodology that could provide a consistent metric to evaluate GHG emission reduction strategies

The work did not include applying the cost-benefit analysis to each updated GHG reduction strategy because the level of implementation could vary from strict to voluntary based on community engagement, available resources, and council priorities. The application of the cost-benefit analysis is intended to be utilized during the strategy evaluation timeline as specified in recommendations for greenhouse gas reduction strategies, and where applicable, be brought back to city council to consider for implementation.

It is also important to note that new requirements have recently been approved pursuant to SB 375 and the California Environmental Quality Act (CEQA) that have impacts on Menlo Park Climate Action Plan strategies and proposed development projects and long range plans, which are explained later in this report.

The following section provides the highlights of the analysis and recommendations.

Highlights

- Several of the 2009 strategies were outdated or needed modifications, and additional GHG reduction strategies were needed to effectively reduce emissions. This report provides a table of updated community and municipal GHG reduction strategies, rationale for the recommendations, a relative priority ranking for implementation and a recommended evaluation timeline for implementation. For reference, the appendix includes the status of recommendations made in the original Climate Action Plan.

- Of the 723,480 GHG tons from Menlo Park's 2009 Community GHG Emissions Inventory, only 0.004% (2,886 tons) are from municipal operations. Therefore, it is recommended that the limited staff and resources available for GHG emission reduction work focus on community strategies implementation since more than 99% of the emissions are from community sources.
- The recommended strategies in this report give priority to increase residential and commercial energy efficiency since 28% of Menlo Park's greenhouse emissions are from these sectors. Residential and commercial energy efficiency strategies are important because Menlo Park has significant policy control over residential and commercial energy consumption (e.g. requiring new green building standards, energy efficiency standards for residential and commercial new construction/major renovations, etc.). In contrast, Menlo Park has limited policy control over the transportation sector which accounts for 62% of total emissions. Additionally, energy conservation strategies provide the most expedient method to reduce GHG emissions and provides costs savings after implementation.
- It is recommended that a new mandatory commercial recycling ordinance be considered to reduce waste to landfill, since 68% of Menlo Park's commercial waste is currently disposed of at the Ox Mountain landfill¹. This strategy is especially important because methane released from the decomposition of waste/organic waste is 20 times more potent than carbon dioxide in its global warming capacity.
- This report includes updated greenhouse gas inventories between 2005 and 2009, and information regarding a potential GHG reduction target for Menlo Park. Developing a specific target is an essential component of a Climate Action Plan².
- The recommended cost-benefit analysis approach provides a consistent method to assist in the evaluation of potential GHG emission reduction strategies. After completion of a cost-benefit analysis, each of the emission reduction strategies (where applicable) would be presented to the City Council for consideration according to the evaluation timeline in the community and municipal strategy tables of this report.

¹ City of Menlo Park Solid Waste Generation in Tons By Jurisdiction and Type, 2009 Data, Allied Waste

² Menlo Park's Environmental Quality Commission Climate Action Plan Subcommittee completed a comprehensive assessment of other jurisdictions emission reduction targets in April 2010.

Impact of State and Regional Actions on Menlo Park's GHG Emission

It is important to note that Menlo Park's projected emissions will be impacted by state and regional actions that were included in the AB 32 Scoping Plan. Of particular importance are the Renewable Portfolio Standard (RPS) and the Pavley I and II regulations. The other AB Scoping Plan measures are also relevant, such as the Low Carbon Fuel Standard; however, the details and the regulations have not yet been developed. Therefore, the Bay Area Air Quality Management District (BAAQMD) states that assessing GHG impacts at the local level from these measures is fairly speculative at present time and states that jurisdictions may be able to quantify the GHG emissions impacts in 2011. The following details the current status of these state and regional actions that will impact Menlo Park and other jurisdictions:

Renewable Portfolio Standard

The State of California Renewable Portfolio Standard (RPS) requires electricity providers to increase the portion of electricity they deliver that comes from renewable energy sources to 20% by 2010 and by 33% by 2020. In 2007, 12% of PG&E's total power mix came from renewable power. For 2010, PG&E is reporting that 18% of their power mix is renewable energy, but this number has not been verified by the California Public Utilities Commission. As PG&E begins using more renewable power, the reduction savings will automatically be reflected in Menlo Park's annual Greenhouse Gas Inventory updates as the inventory uses carbon intensity (or carbon coefficients) directly reported from PG&E to calculate GHG emissions associated with building energy consumption in Menlo Park.

Pavley I and II

Assembly Bill 1493 (Pavley), signed into law in 2002, requires automakers to reduce greenhouse gas emissions from new passenger cars and light trucks beginning in 2011. The Air Resources Board (ARB) will implement the law in two phases of increasingly stringent standards. The ARB has developed a post-processing tool that incorporates the emissions impacts of Pavley I and II and states the tool will be released for jurisdictions in 2011.

SB 375

On September 23rd 2010, the California Air Resources Board (ARB) adopted new regional GHG reduction targets for California's metropolitan planning organizations as mandated by SB 375 (Stenberg, 2008). SB 375 mandates an integrated regional land use and transportation planning approach to reduce GHG emissions from cars and light trucks. Each of the metropolitan planning organizations (e.g. the Metropolitan Transportation Commission) are to develop a sustainable communities strategy that demonstrates how they will meet their regional target through integrated housing, land use and transportation planning. The land use policies encourage higher density near transit, increased mixed use development; Transportation policies include parking/pricing policies that encourage alternative modes of transportation other than single occupancy vehicles, etc. It is important to note that the regional targets are based on per capita emissions, rather than gross emissions, and they still allow for an increase in overall emissions due to population growth.

The BAAQMD does not recommend including additional GHG reductions resulting from SB 375 because a technical and defensible analysis of the bill's projected impact on the state or the Bay Area is not available at this time. Annual traffic counts are already used to estimate emissions from transportation in Menlo Park, and reductions from SB 375 would be reflected during this data collection process.

The California Air Resource Board and the BAAQMD state that tools are not currently available to enable jurisdictions to accurately project the impacts of these state and regional actions; these agencies report that the projection tools may be available in 2011. Therefore, it is recommended that these projections be assessed and incorporated into Menlo Park's GHG emission projections in spring or summer 2012.

California Environmental Quality Act (CEQA)

The BAAQMD recently updated new California Environmental Quality Act (CEQA) Guidelines to assist jurisdictions in analyzing air quality impacts of proposed projects and plans. The Guidelines establish thresholds of significance for GHG emissions and other air pollutant emissions. The thresholds are based on achieving AB 32 goals for 2020 and provide GHG thresholds of significance for projects and plans for jurisdictions. The Guidelines also establish GHG thresholds of significance for a jurisdiction's "GHG Reduction Strategy". The BAAQMD states that a GHG Reduction Strategy could be included in jurisdictions planning documents such as general plan or other planning documents.

Community Greenhouse Gas Inventory Results between 2005 and 2009

Using ICLEI's updated Clean Air and Climate Protection Software (CACP), Menlo Park was able to complete greenhouse gas inventories between 2005 and 2009. Staff analyzed greenhouse gas (GHG) emissions that are generated from the building energy usage, solid waste sent to the landfill, vehicle miles traveled within the community, and methane produced from a closed landfill (Bedwell Bayfront Park). For reference, GHG emission can also be expressed as carbon dioxide equivalents (CO₂e), and the appendix includes detailed information regarding each sector energy consumption and related greenhouse gas emissions.

Menlo Park's original 2005 greenhouse gas emissions were also re-evaluated for accuracy and consistency with new methodologies and practices. In 2005, it was reported that Menlo Park emitted approximately 491,054 metric tons of CO₂e. Due to updated data and developments in methodologies, Menlo Park's 2005 CO₂e has been corrected to reflect a CO₂e of 747,205 metric tons for 2005. This approach uses the best available data along with the most updated methodologies to arrive at a more accurate reflection of greenhouse gas emissions per sector and community-wide. For 2005, the following corrections were made:

- Transportation:
 1. In 2005, Menlo Park's city road and freeway lengths were under reported which caused an underestimation of VMT and GHG emissions. Per 2005 Metropolitan Transportation Commission (MTC) data, it was reported that city roads and the highways associated with Menlo Park totaled 60 miles. However, according to Geographic Information System (GIS) data Menlo Park's city roads and highways actually total to 117 miles. Corrections have been made to account for the emissions that were not reported in 2005.
 2. Menlo Park's 2005 inventory reports VMT (vehicle miles traveled) for Caltrain at 272,333 VMT. Upon review from City Staff and an ICLEI (Local Governments for Sustainability) regional associate, this is an estimated amount of fuel thought to be consumed when Menlo Park residents use Caltrain. This specification was not noted in the 2005 inventory. Due to the lack of available data on arriving at a sound VMT estimation for Caltrain, this information has been omitted from Menlo Park's overall community-wide GHG inventory. Menlo Park was the only community that had included Caltrain emissions at the time, and to date no other community includes Caltrain greenhouse gas emission data.
- Bayfront Park Landfill:
 1. In Menlo Park's 2005 emissions inventory, the Methane capture rate of the Gas Recovery System (GRS) was estimated using default values in Landgem 3.02 (software developed by the Environmental Protection Agency). This was considered the best available screening tool for estimating landfill gas emissions at the time. More recently, the City of Menlo Park was able to obtain landfill emissions calculations directly from Fortistar, the operator of the GRS system in place. Under the guidance and recommendations of ICLEI, it was advised that

using data directly from Fortistar in conjunction with using CACP (Clean Air and Climate Protection) software to generate emissions calculations would display a more accurate representation of the emissions at the closed landfill. The difference between the former methodology and the new methodology is 9,000 tons of GHG emissions.

The figure below displays Menlo Park’s 2009 communitywide greenhouse gas emissions inventory by source. The results show that the transportation sector is the leading contributor to CO₂e, generating 62% of emissions, followed by the electricity use from the commercial and residential sector generating 28% of emissions in the community.

Figure 1: 2009 Communitywide Greenhouse Gas Emissions by Source
Total Emitted GHG Tonnes = 723,480

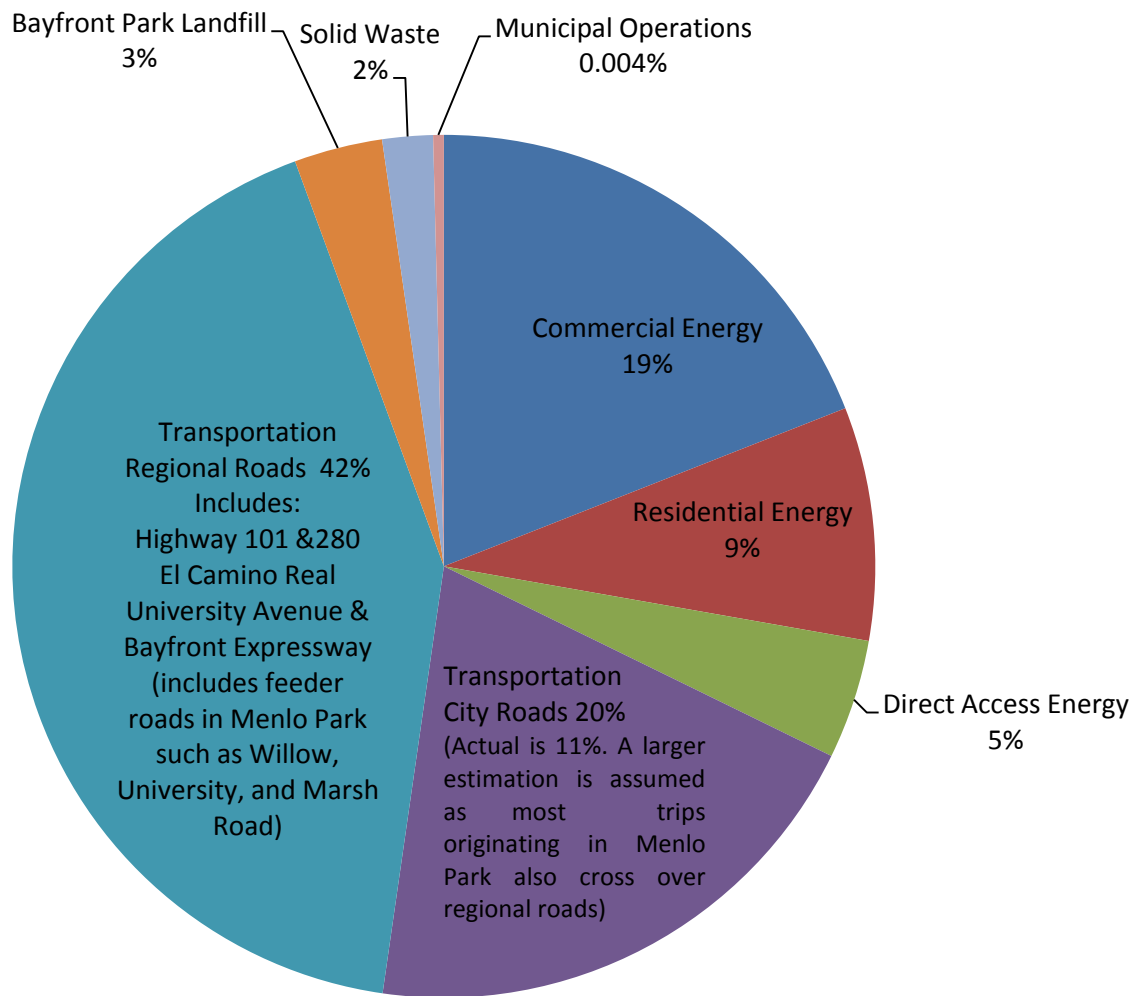


Figure Two represents Menlo Park's total communitywide greenhouse gas emissions from all sources between 2005 and 2009. The GHG emissions are expressed in metric tons (tonnes) of carbon dioxide equivalents (CO₂e). The graph also includes the year to year percent change. All sources accounted for in this graph include CO₂e emissions generated from electricity and natural gas consumption in buildings, solid waste sent to the landfills, and vehicle miles traveled. Emissions from Bayfront Park Landfill were also included. Although Bayfront Park Landfill ceased to accept waste in 1984, the waste-in-place still continues to generate greenhouse gas emissions.

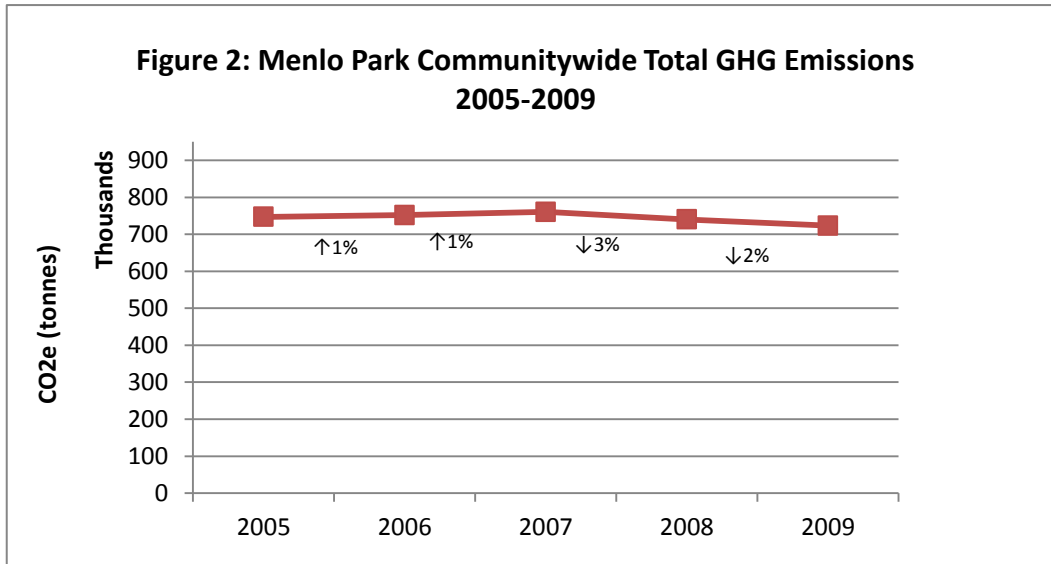
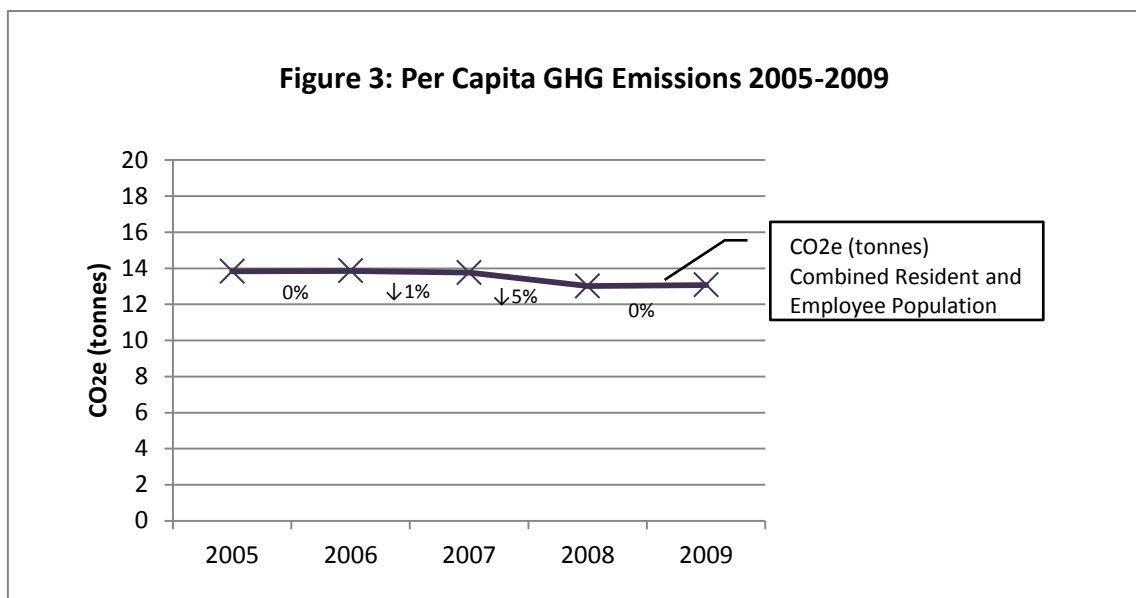
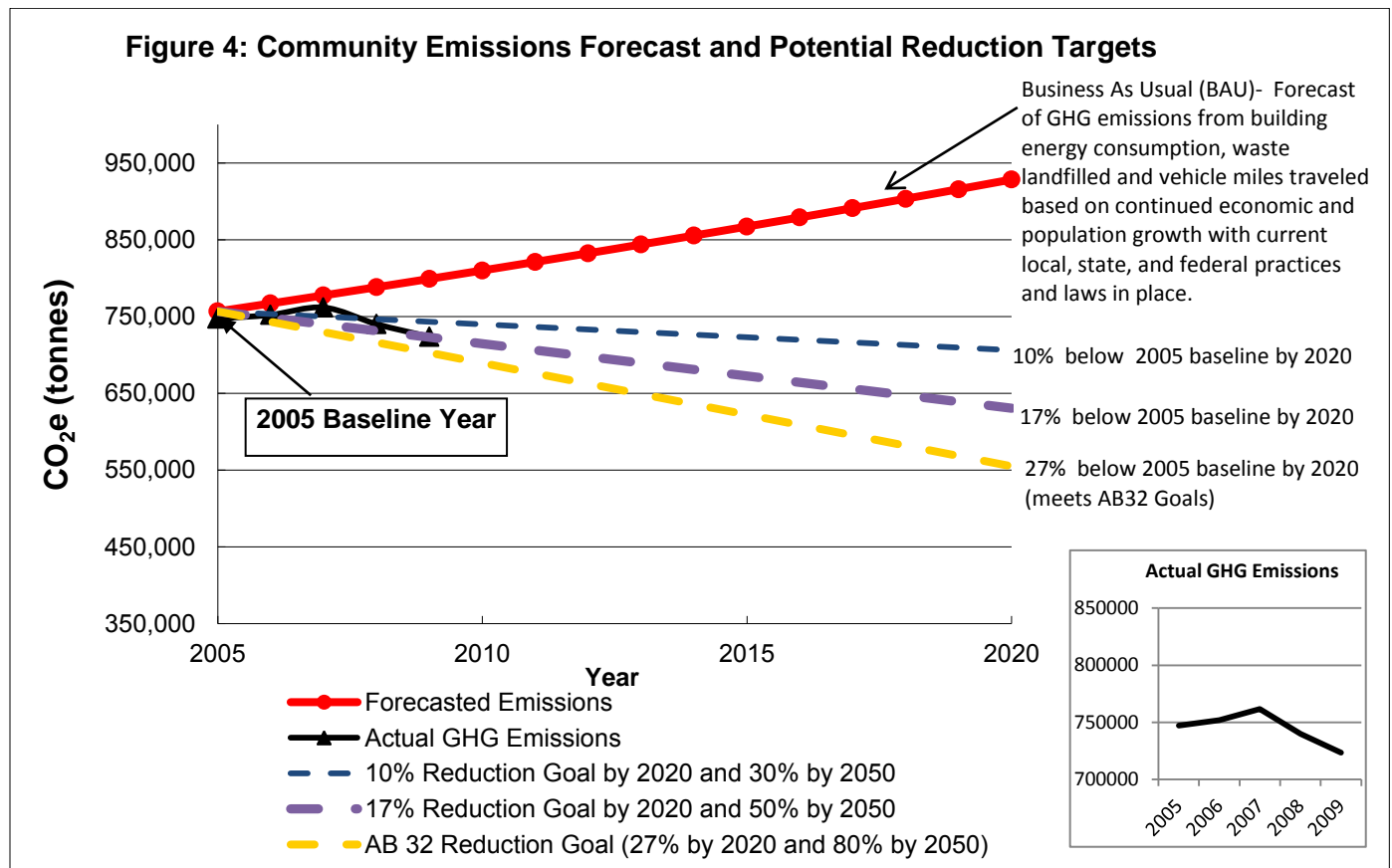


Figure Three displays per capita of CO₂e tonnes generated from Menlo Park's residents and work force population, and include emissions from all measured sectors. The trends show a continued decrease in CO₂e emissions. These continued decreases may be explained by the economic downturn shown that started in 2008.



GHG Emissions Forecast and Potential Reduction Targets

The intent of the GHG emissions forecast is to quantify the projected GHG emissions through the year 2020 to determine the estimated amount of GHG emission reductions that are necessary within the context of increased growth. The figure below was developed using annual residential and commercial growth projection data from the Association of Bay Area Governments (ABAG) that was released in 2010. The use of these projections has been recommended by the Bay Area Air Quality Management District (BAAQMD) for jurisdictions that are completing GHG emission projections. If the community of Menlo Park continues with the current pattern of energy consumption, waste generation and vehicle miles traveled, known as "business-as-usual" (red line), greenhouse gas emissions are estimated to increase from 723,480 metric tons (2009 total) to 928,347 tons by 2020.



The various potential reduction targets identified in Figure Four is intended to begin discussion a GHG reduction target for Menlo Park that would be consistent with the reduction targets of AB 32. Developing a specific target is an essential component of a Climate Action Plan³. The yellow line in Figure Four indicates the total emission reductions required to meet the AB 32 emissions reduction target, which could be 27% below 2005 levels by 2020. Thus a 2.5% to 3% or 13,449 tonnes annual reduction is needed to achieve AB 32 goals.

³ Menlo Park's Environmental Quality Commission Climate Action Plan Subcommittee completed a comprehensive assessment of other jurisdictions emission reduction targets in April 2010.

Based on the current greenhouse gas trend line (black line), it appears that Menlo Park is decreasing its GHG emissions. However, there are other factors that may have contributed to the decline. These include:

- The economic downturn since 2008 has reduced energy consumption (downsizing or closures).
- Since the Bedwell Bayfront Park landfill is closed, there are no further opportunities to create more methane than what is already stored in the landfill. Thus, a steady decline in GHG emissions will result in this area over time.

It is highly likely that when economic stability returns, community GHG emissions will increase close to the “business as usual” scenario.

Below is a list of emission reduction targets established by other jurisdictions. The BAAQMD recently stated that jurisdictions, in developing a GHG Reduction Strategy should establish a GHG reduction target that meets or exceed AB 32 goals for consistency with CEQA guidelines and thresholds. Therefore, establishing GHG emissions reduction target for Menlo Park is in line with regional efforts. These GHG reduction targets could be included in the General Plan update process that is currently planned for 2013-2014. It is also important to note that federal and state policies will have an impact on Menlo Park’s GHG emissions as discussed earlier in this report. It is reasonable to estimate that 10% of Menlo Park’s GHG reduction will result from these efforts. Thus, establishing a 27% target would actually mean reducing GHG emissions by 17% with local strategies.

| Common Emission Reduction Targets | |
|--|---|
| Kyoto Protocol for the United States of America | 7% below 1990 levels by 2012 Non-binding as the US is not signatory |
| US Conference of Mayor's Climate Protection Agreement | 7% below 1990 levels by 2012 |
| California Executive Order S-3-05 | Reduce to 2000 levels by 2010 Reduce to 1990 levels by 2020 80% Below 1990 levels by 2050 |
| California AB 31 | Reduce to 2000 levels by 2020 |
| A Sample of California Local Government Targets | |
| City of Arcata | 20% below 2000 levels by 2010 |
| City of Benicia | Reduce to 2005 levels by 2010 10% below 2000 levels by 2020 |
| City of Berkeley | 33% below 2000 levels by 2020 |
| City of Chula Vista | 20 % below 1990 levels by 2010 |
| City of Hayward | 12% below 2005 levels by 2020 82% below 2005 levels by 2050 |
| City of Los Angeles | 35% below 1990 levels by 2030 |
| Marin County | 15% below 1990 levels by 2020 |
| City of Novato | 15% below 2005 levels by 2020 |
| City of Oakland | 36% below 2005 levels by 2020 |
| Sacramento County | 15% below 2005 levels by 2020 80% below 1990 levels by 2050 |
| City of San Diego | 15% below 1990 levels by 2012 |
| City of San Francisco | 20% below 1990 levels by 2012 |
| City of San Jose | 50% below 2007 levels by 2022 |
| City of San Luis Obispo | 15% below 2005 levels by 2020 |

Recommendations for Greenhouse Gas Reduction Strategies










The tables on the following pages outline the recommended community and municipal strategies for near-term and mid-term considerations. Many of these strategies were previously recommended by the Menlo Park's Green Ribbons Citizen Committee (GRCC) and ICLEI (Local Governments for Sustainability), and were included in the 2009 Climate Action Plan. This analysis further defines and expands the scope of each strategy, and ranks strategies according to the following criteria:








- Provides significant GHG reduction potential (i.e. strategy focuses on the largest GHG sectors in Menlo Park's GHG Inventory)
- Ease of implementation (i.e. strategy can be implemented with limited staff and other resources)
- Considered a "best practice for GHG reduction strategies" and successfully implemented in other jurisdictions
- Considered reasonable and cost-effective to the community and city operations
- Has significant environmental co-benefits for the Menlo Park community such as improved air quality, improved public health, reduced traffic congestion, reduced energy and water consumption, preserves natural resources and extends landfill life

The criteria have been directly inserted into the tables. A native valley oak leaf is used to indicate if the strategy fully meets the criteria. Some criteria will have no leaf or a half leaf. A half leaf indicates that the strategy meets some of the criteria intent. A "no leaf" means that it is difficult to meet the criteria.







The recommended cost-benefit analysis approach that is included later in this report can be applied to each strategy, and provide a consistent metric to evaluate GHG emission reductions. The next steps include presenting cost-benefit analysis of the selected individual FY 11-12 GHG reduction strategies for approval by the City Council before implementation.

Community Greenhouse Gas Reduction Strategies: This is a recommended timeline only; each GHG reduction strategy would require a comprehensive cost-benefit analysis where applicable and consideration by Council prior to implementation.





| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|---|---|---|---|---|---|---|---|
| Energy Efficiency | | | | | | | |
| Consider adopting Sustainable Development/ Green Building standards that exceed California's 2010 Green Building Code (CalGreen) for Residential and Commercial | <p>28% of Menlo Park's emissions are from the residential and commercial sectors. Green buildings not only reduce GHG emissions by minimizing energy/water usage, but also reduce natural resource consumption and provide healthier indoor environments in comparison to non-green buildings. Building energy efficiency standards are important because Menlo Park has significant policy control over residential and commercial energy consumption, and this strategy has been implemented in many other cities in the bay area to reduce greenhouse gas emissions.</p> <p>The level of implementation can vary from strict to voluntary based on available resources, community feedback and city council priorities. In addition, the applicability can range to only new structures or include major renovations of buildings.</p> | 2012-13 |  |  |  |  |  |
| Consider actively marketing and providing additional incentives for residents to participate in the new Regional Energy Upgrade California Program | The new regional program Energy Upgrade California for Menlo Park and other San Mateo County jurisdictions provides outreach, education, and up to \$4,000 rebates for homeowners to complete energy efficiency upgrades. The program provides rebates based on the percentage of increased home energy efficiency; this typically provides 50% of the funding for the actual upgrade. The program is funded through state, regional and federal grants. Menlo Park could increase participation by offering additional rebates and actively marketing the program. | 2011-12 |  |  |  |  | |

| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|---|--|---|--|--|---|--|---|
| Expand Menlo Park Municipal Water District Conservation Programs | Expand water conservation programs. Consider new water conservation incentive programs that include researching a pilot program for graywater (water reuse) for onsite landscape irrigation or lawn replacement programs. The original graywater plumbing requirements in the California Plumbing Code were quite restrictive and have been updated to allow some graywater solutions for water conservation and irrigation. ⁴ | Current and Ongoing | |  |  |  |  |
| Consider developing an Energy Efficiency/ Renewable Energy Program for Residential sector | <p>This would involve an incentive program for residents to complete home energy assessments and cost effective upgrades. This would be similar to the Green@Home program, but would include more comprehensive heating and cooling system tests and explore renewable energy options with the homeowners.</p> <p>One particular strategy could involve providing a rebate for half the cost of the energy analysis, and if upgrades are completed a rebate for the full cost of the assessment would be provided.</p> <p>The program can promote current state and utility financial incentives and add new incentives to maximize energy efficiency. This policy can be a valuable collaboration to the new Energy Upgrade California program. Consider participation in regional programs and or grants/incentives.</p> | 2013-14 |  |  | |  | |

⁴ www.hcsd.ca.gov/codes/shl/Preface_ET_Graywater.pdf.
















| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|--|--|---|---|------------------------|---|--|---|
| Develop a commercial energy efficiency program to encourage businesses to participate in a free energy efficiency audit when business license is issued or renewed | Menlo Park's commercial sector produces 24% of GHG emissions through electricity and natural gas consumption. This program can be in coordination with PG&E and the Green Business Program. The audit can identify energy efficiency/water conservation opportunities at their facilities and promote rebates, incentives and financing programs. Business can receive a report with prioritized actions they can take to reduce energy/water costs. Businesses would be encouraged but not required to perform efficiency retrofits. Consider requiring free energy audits in future, e.g., 2017-18. Some jurisdictions such as the City of Chula Vista have implemented this program as mandatory ⁵ . | 2015-16 | | |  |  |  |
| Consider local energy efficiency and renewable energy financing program | The city would provide a low-interest energy financing program to fund energy efficiency and clean energy upgrades. Currently, the program is on hold due to the Federal Housing Finance Agency (FHFA), Fannie Mae, and Freddie Mac challenging the seniority position of the local jurisdictions placing liens on properties, and that property owner participation in this program may violate mortgage contracts. | On Hold | | | |  | |
| Consider development of an ordinance for energy and water efficiency standards for transfer of title transactions | Consider requiring a minimum standard of energy and water efficiency measures when a home or business has a transfer of title (e.g. sale of property). Consider starting with a voluntary education and promotion phase in 2015 and move to a mandatory phase starting in 2016 or later. | 2015-16 |  | | | |  |















⁵ City of Chula Vista adopted a similar ordinance in 2009 with the Free Resource & Energy Business Evaluation (FREBE) www.chulavista.org











| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|--|---|---|--|------------------------|--|--|--|
| Transportation | | | | | | | |
| Consider amending the City's General Plan to include new sustainability policies, goals and programs | <p>Consider adding new sustainability policies, goals and programs during the City's General Plan revision process, either as a new separate element in the General Plan or added into the current General Plan elements. Identify, modify or eliminate policies that conflict with sustainability policies and goals, in the interest of maintaining internal consistency. General Plan amendment work is included in the Capital Improvement Projects for 2013-2014. The draft El Camino Real Downtown Specific Plan supports and advances the principles of sustainability, and incorporates sustainability strategies reflected in the 2009 Leadership in Energy and Design (LEED) for Neighborhood Development.</p> <p>Land Use: Consider including new sustainable land use policies⁶ during the planned General Plan review and revision process currently scheduled for 2013-2014⁷. Consider policies that allow higher density residential and mixed use on sites currently zoned for industrial uses, as well as on sites primarily zoned and developed for commercial, where some residential may be accommodated. Consider policies that provide an effective use of mixed used and transit oriented development that would reduce the need for parking.</p> <p>Transportation: Consider new sustainable transportation policies that provide preferential parking for no or low emission vehicles on city streets, city garages and lots. Consider expanding parking policies as technology advances to increase accommodation of no or low emission vehicles. Expand policies that encourage bicycling, walking and other modes of transportation than single occupancy vehicles.</p> | 2013-14 |  | |  |  |  |

⁶ The City currently plans to develop and adopt updated City CEQA Guidelines in FY 2012-13

⁷ SB 375 mandates an integrated development/land use and transportation planning approach to achieve GHG reduction targets














| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|--|--|---|---|---|---|---|---|
| Consider social marketing programs/campaigns to promote alternative transportation (walking, biking, public transit, etc.) | <p>Social marketing programs aim to uncover barriers that prevent individuals from engaging in sustainable behaviors and establishes a new social norm for the community to engage in. It provides a set of tools that social science research has demonstrated to be effective in fostering behavior change. A typical social marketing design includes surveying community or neighborhood attitudes to identify target audiences and their barriers. A program is then developed around this research that minimizes barriers through incentives, targeted message development, or direct neighborhood engagement activities.</p> <p>The public health sector has been a successful implementer of social marketing programs, such as anti-smoking campaigns. Social marketing is a relatively new tool for local governments to use in effectively engaging the community in sustainable behavior. However, there are past examples of effective environmental social marketing programs that include anti-littering and recycling campaigns during the 1980s until now.</p> | 2013-14 |  |  |  |  |  |
| Consider implementation for City Car Sharing Program | Many cities (San Francisco, Berkeley, and Portland) have implemented a car sharing program and Zipcar.com may be a viable alternative for Menlo Park since local jurisdictions have these programs underway. | 2015-16 |  |  |  |  |  |
| Implement Bike Improvements | Bicycle trips can generally replace vehicle trips up to five miles. Thus, increasing bicycle trips in Menlo Park could reduce up to 9,000 tons of GHG emissions by 2020. | Current and Ongoing |  |  |  |  |  |

| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|---|---|---|---|---|---|---|---|
| Consider implementation for City Bike Sharing Program | 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. | 2013-14 |  |  | |  |  |
| Expand Community Shuttle Service | The 2009 Climate Action Plan estimates that shuttle service contributes to reducing 0.5 tons of greenhouse gas emissions per rider per year. Expanding services would increase greenhouse gas emissions reductions. | Ongoing |  |  |  |  |  |
| Consider installing Electric Plug-in Hybrid Vehicle Recharging Stations | Consider installing recharging electric vehicles (EV) and plug in hybrid electric vehicles (PHEV) and construct recharging stations in public parking facilities. The City can also encourage or require larger local businesses and multi-unit housing projects to install charging stations. \$2.5 million in grants for new electric vehicle charging stations and infrastructure will become available from the Bay Area Air Quality Management District (BAAQMD). The 2009 Climate Action Plan estimated that installing 30 recharging stations would reduce an estimated 7,000 metric tons of greenhouse gas emissions. | 2013-14 |  |  |  |  |  |














| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|---|--|---|---|---|--|--|--|
| Solid Waste | | | | | | | |
| Consider adopting a Zero Waste Policy with 75% diversion by 2020 and 90% diversion by 2030. | Currently, the city is required by the State to divert 50% of community solid waste from the landfill. This policy would increase the diversion rate to 75% by 2020, and 90% by 2030. This strategy would also evaluate additional policies and ordinances needed to reduce waste to landfill to meet diversion goals. Menlo Park's current diversion rate is 43% ⁸ . This program has the potential to reduce 20,000 metric tons of greenhouse gas emissions. | 2012-13 |  |  |  |  |  |
| Consider adopting a mandatory Commercial Recycling Ordinance | 67% of Menlo Park commercial waste (compared to 27% Menlo Park's residential waste) is currently going to landfill ⁹ . The commercial recycling rate has remained flat in the last several years. A commercial recycling ordinance can increase recycling by an estimated 10-20%. The program would not impact the City's General Fund and could be funded from commercial garbage rates (with negligible impact on garbage rates). The new single stream recycling, effective 1/3/2011, makes commercial recycling participation and ordinance compliance easier. Also, consider inclusion of mandatory recycling for Menlo Park public events in this ordinance. This program has the potential to reduce 10,000 metric tons of greenhouse gas emissions by 2020. | 2011-12 |  |  |  |  |  |

⁸ Solid Waste Diversion in Tons by Jurisdiction & Type/City of Menlo Park 2009 Data




⁹ Recology Solid Waste and Recycling Report for City of Menlo Park for January, February, and March 2011.

| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|--|--|---|---|--|---|---|---|
| Other | | | | | | | |
| Establish Climate Action Plan monitoring and progress reporting program | Consider completing an annual review of the GHG reduction strategies in the Climate Action Plan and provide a progress report to the city council that includes the following actions: A. Adopt a GHG reduction target for 2020 B. Monitor the current GHG reduction strategies and provide a progress report to the City Council on an annual basis. C. Identify new GHG reduction strategies and ensure implementation of the strategies has been assigned to appropriate department. D. Plan to re-inventory every year to monitor progress toward the 2020 GHG reduction target. | Current and Ongoing |  |  |  |  |  |
| Expand Green Business Certification Program/Include Green Business education to new business permit applicants | Expand the County's Green Business Certification Program to reduce energy, water and solid waste consumption. | 2012-13 | |  |  |  |  |
| Consider amending the City's General Plan to include a "GHG Reduction Strategy" as outlined in the new CEQA ¹⁰ Guidelines | The Bay Area Air Quality Management District (BAAQMD) recently approved new CEQA Guidelines that establish thresholds of significance for GHG emissions on a project level and plan level (e.g. General Plan). These thresholds are based on achieving AB 32 goals for 2020. New CEQA Guidelines state a 'GHG Reduction Strategy' could be adopted by a jurisdiction and should contain the specific plan elements as noted in Section 4.3 of the CEQA Guidelines. | 2013-14 |  | |  |  |  |











¹⁰ New CEQA Guidelines June 2010, www.baaqmd.gov

| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|---|---|---|---|---|---|---|---|
| Develop social marketing campaign to educate residents on reducing their personal greenhouse gas emissions. | Social marketing programs aim to uncover barriers that inhibit individuals from engaging in sustainable behaviors and promote a new norm for the community to engage in. It also provides a set of tools that social science research has demonstrated to be effective in fostering behavior change. A typical social marketing design includes surveying community or neighborhood attitudes to identify target audiences and their barriers. A program is then developed around this research that minimizes barriers through incentives, targeted message development, or direct neighborhood engagement activities. Other cities have used this approach through green schools initiatives, or neighborhood carbon diet clubs or green teams. | 2013-14 |  |  |  |  |  |
| Develop a promotion and education program to encourage local and or organic food production | 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 travels 1,500 miles ¹¹ for use in California homes). Consider an 'Eat Local Campaign' similar to Portland, Oregon program that promotes eating foods grown within a specific mile radius. | 2013-14 | |  |  |  |  |
| Consider an educational program and/or local ordinance to limit vehicle idling | Exhaust from motor vehicles is a substantial contributor to air pollution and a source of greenhouse gas emissions. These pollutants are harmful to the environment and public health. An example standard would be to limit vehicle idling time to a maximum of three to five minutes. | 2013-2014 | |  |  |  |  |















¹¹ Center for Sustainable Agriculture data accessed 12/10/10

| Community GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective to the community | Significant environmental co-benefits |
|---|--|---|-------------------------------------|---|---|---|---|
| Research opportunities to improve methane capture at Marsh Road Landfill (Methane Emissions Mitigation) | Due to methane’s high global warming capacity, this is a priority project. Research potential for new methods to efficiently capture methane even as methane emissions decline (methane is projected to decline to 16,779 tons in 2020). | 2011-12 | |  | |  |  |

Municipal Greenhouse Gas Reduction Strategies

| Municipal GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective | Significant environmental co-benefits |
|--|--|---|--|--|--|--|--|
| Adopt an Environmental Preferable Purchasing Policy (EPP) | <p>Consider adopting an Environmental Preferable Purchasing Policy (EPP) that requires or encourages the purchase of sustainable products that minimize environmental impacts. Consider requiring a minimum of these 2 specific elements:</p> <ol style="list-style-type: none"> 1. All paper products have minimum 30% post consumer content 2. New city fleet purchased should be no or low emission vehicles, with some potential exceptions. <p>Menlo Park's city fleet generates 28.4% of municipal emissions.</p> | 2011-12 |  |  |  |  |  |
| Implement a Civic Green Building Policy for new municipal construction and major renovations | <p>Menlo Park's city office buildings (electricity and natural gas consumption) account for 33% of Menlo Park's municipal emissions. Consider implementing a green building policy that encourages or requires new green building standards such as Leadership in Energy and Environmental Design (LEED¹²) or the California Green Building Code (CalGreen) Tier 1 to encourage or require new energy efficiency requirements that exceed Title 24, Part 6 by 15% for new municipal construction and major renovations. Green building reduces energy, water and resource consumption. Many cities are adopting Civic Green Building Policies to reduce operating costs and be a green building leader for the public and private sector.</p> | 2012-13 |  |  |  |  |  |

¹² www.usgbc.org Leadership in Energy and Environmental Design (LEED)

| Municipal GHG Reduction Strategy | Rationale | Evaluation Timeline Before Implementation | Significant GHG Reduction potential | Ease of Implementation | Successfully Implemented in other jurisdictions | Reasonable and cost-effective | Significant environmental co-benefits |
|--|--|---|---|---|---|---|---|
| Utilize Energy Service Companies (ESCO), Energy Performance Contracting, and/or solar power purchase agreements to reduce GHG emissions, and long term energy cost savings | An energy performance contract is a method in which the contractor provides and finances energy improvements, and is repaid from the energy related cost savings the project generates. There are no upfront capital cost, and the city will experience overall savings as energy costs continue to increase. | 2011-2012 |  |  |  |  |  |
| Maximize recycling and composting and all city facilities to a 75% measured diversion rate. | Expand current diversion and consider requiring minimum diversion level at city facilities (e.g. 75%). Ensure appropriate organic collection containers are at city facilities to increase diversion. | Current and Ongoing |  |  |  |  |  |
| Continue to replace existing city streetlights with LEDs | Streetlights generate 12% of the municipal emissions in Menlo Park. The City is already replacing 22% of the existing streetlights in Winter 2010 with partial funding from the Energy Efficiency and Conservation Block Grant (EECBG) administered by the California Energy Commission (CEC) ; Replacing all streetlights is estimated to save 500,000 kWh of electricity and an estimated \$50,000 per year. Continue seeking grant funding to replace additional City lights from (CEC) or other entity. Funding is currently planned for Capital Improvement Project for FY 2010-2011. | 2011-14 |  |  |  |  | |

It is also important to note that even before the Climate Action Plan was adopted by City Council, many policies and programs have been and continue to be implemented because they are considered cost effective, ensure reliable resource supplies, and/or are mandated by the state. Below is a list of current and past city projects, policies, and programs that contribute GHG reductions:

- Draft Specific Downtown Plan includes land use and transportation policy measures that will reduce GHG emissions over the long term
- Expanded recycling program that includes organics recycling for residential customers
- Menlo Gateway Project includes mitigation measures that focus heavily on reducing energy, solid waste consumption, and vehicle miles traveled.
- Urban Forest Program that includes the Heritage Tree Ordinance, El Camino Street Tree Planting, and Street Reforestation Plan
- Installing energy efficient Heating, Ventilation, and Air Conditioning equipment in the City Council Chambers
- Installing energy efficient broilers in the City Administration Building and Burgess Pool
- Safe Routes to School Program for Oak Knoll, Laurel Elementary, Encinal, and Hillview schools
- Local Shuttle Service
- Bike to Work Day and Drive Less Challenge promotion
- Purchase of fuel efficient vehicles
- LED Streetlight and Traffic Signal Conversion
- Implementation of Water Efficient Landscape Ordinance
- Community incentive programs to complete water efficient upgrades
- Encouraging Transportation Demand Management strategies for new development that include installing showering facilities and bicycle parking
- Sidewalk and Bicycle Master Plans are implemented through the Capital Improvement Plan process
- Signal light coordination that reduces idling and relieves traffic congestion
- Safe Moves School Assembly Program encourages safe bicycling behavior to youth
- Employee Bike/Walking Allowance Program and Commuter Check Program
- Community Services staff promotion of using less waste and encouraging alternative transportation to patrons
- LEED Silver achievement for Arrillaga Family Gymnasium
- Energy Efficient and Water Efficient Fixtures installed in Arrillaga Recreation Center and planned for Gymnastics Center
- Energy saving light upgrades at the Corporation Yard, Council Chambers, and Main Library
- Installing more bicycle parking in downtown and at the Caltrain Station
- Downtown Irrigation Replacement that would conserve water more efficiently
- Downtown Landscaping improvements include drought tolerant plant species

Cost-Benefit Methodology for GHG Emission Reduction Strategies

Menlo Park's approved 2009 Climate Action Plan used various methods to determine the cost-effectiveness of recommended strategies. At the time of approval, the City Council requested a consistent methodology to evaluate the cost-benefit of each GHG reduction strategy. The methodology below can assist in evaluating the cost-benefit of each strategy before implementation.

It is important to note that conducting a cost benefit analysis for each strategy will be completed according to the **evaluation timeline** in the community and municipal strategy tables included in this report. The City Council has stated that the Climate Action Plan is a living document to be updated periodically. Part of the rationale for this stems from the fact that many climate change strategies are relatively new, and state and federal regulations are also changing that can either create barriers or assist in making the strategies more or less feasible. For example, the state can mandate that all commercial businesses are required to recycle. This strategy could then be potentially removed from Menlo Park's list of community GHG reduction strategies, or Menlo Park could adopt an ordinance that would enhance the state law by including materials, like food scraps, that may not be covered under state law.

In addition, there are numerous variables and conditions within a community that can vary the level of implementation of each strategy. For example, the sustainable building strategy can vary in implementation from voluntary to very strict, depending on current staff resources and community support. Thus, reviewing each strategy completely and independently before implementation can save time and resources rather than attempting to evaluate all strategies at one given time with the potential of some becoming outdated or modified.

Cost-Benefit Analysis Methodology

Currently, there is no established cost effectiveness analysis or uniform set of benchmarks/estimation factors that jurisdictions follow to evaluate GHG reduction strategies. Jurisdictions currently use various data sources for calculating the costs and benefits of GHG reduction strategies. For example, the City of San Carlos's Climate Action Plan used first year costs only as the method to compare and evaluate the costs for a particular strategy.

The Rocky Mountain Institute's "Cost Benefit Methodology" report has established a well defined methodology for completing cost benefit analysis of greenhouse gas reduction strategies. Agencies that have used this methodology include the City of Palo Alto and the California Air Resources Board. Components of this methodology are included in the following steps for evaluating Menlo Park's GHG strategies. In addition, the methodology below provides a separate Cost Benefit analysis for City operation and community impacts:

1. **Develop Draft Policy, Program or Project.** Include the essential details and specific components for the implementation of the strategy. Tasks include but are not limited to:
 - Analyzing the impacts of current or potential federal and state mandates related to the strategy
 - Developing two to three policy or program options that define standards and applicability

- Identifying funding sources for the program or project (city funds, grants, or other source)
 - Developing a Community Engagement Plan that identifies stakeholders that can provide feedback regarding the positive and negative impacts of a policy or program.
2. **Calculate GHG Reduction Benefit.** GHG reductions are measured in terms of CO2 equivalents (CO2e) and are quantified in short tons (2,000 lb). Most of Menlo Park’s GHG emission inventory and potential reductions involve CO2 emissions, resulting from fossil fuel energy use. The remainder involves other GHG emissions, such as methane, which is 20 times more potent to climate change than CO2 (methane emissions can be converted CO2 equivalents).

To calculate the CO2e emissions reductions from direct fossil fuel energy use depends on the type of fuel and the quantity used:

$$GHG\ Reduction\ Benefit\ tons\ year = Fossil\ Fuel\ Saved\ (MMBtu\ year) \times Fuel\ Carbon\ Intensity\ (tons\ year)$$

The carbon intensity that will be used to evaluate Menlo Park strategies will be the same carbon intensities used to calculate Menlo Park’s annual GHG Inventory using the Clean Air and Climate Protection software developed by Local Governments for Sustainability (ICLEI). See table below for current carbon intensities used in the 2009 Community Greenhouse Gas Inventory.

| 2009 Menlo Park Carbon Intensities | |
|------------------------------------|-------------------------|
| Fuel | Carbon Intensity (CO2e) |
| Natural Gas (per MMBTU) | 0.085 |
| Electricity (per MMBTU) | 0.088 |
| Landfill Waste (per ton) | 0.471 |
| Gasoline (per MMBTU) | 0.023 |

3. **Determine Net Costs.** Use the following formula to determine net costs:

$$Net\ Cost = Cost\ of\ GHG\ Reduction\ Action - non\ GHG\ benefits$$

*Convert each future cost and benefit term to present value
 **A negative result is possible

The cost of a GHG reduction strategy includes the initial capital, annual fuel, annual operating and/or maintenance costs of a particular strategy, and monitoring effectiveness. Most reduction measures will include initial capital cost, such as installing charging stations for electric vehicles or cost to train staff and/or conduct a public outreach campaign for a new ordinance. Annual cost

might include administration of program or project, enforcement, providing incentives, or maintaining systems.

Obtaining a value for non-GHG benefits can be a more challenging process. For most CO₂ reduction strategies, the main benefit that can be calculated with certainty is the annual fossil fuel savings from increased efficiency or renewable power (e.g. reduced kWh or gasoline).

Many other types of non-GHG benefits are also important to consider, and include:

- Transportation: Reduced traffic, improved safety, air quality benefits
- Public Health: improved air or water quality, reduced risk to chronic disease or illness (asthma, obesity, diabetes)
- Waste: Saved landfill costs, energy saved from producing less "one-time" use materials
- Green Building: Improved indoor air quality, occupant comfort, increased work productivity resulting from better design of lighting and ventilation
- Education: Conserves finite resources

These benefits are difficult if not impossible to monetize and quantify. Economists generally use surveys to establish what an individual is willing to pay for improved air quality. However, obtaining this data can be time consuming and costly. Another measure that could be considered by the City Council is placing a standardized weighted community value on "non-purchasable" benefits. For example, if the strategy would significantly improve public health, an additional five percent could be added to the strategy's total greenhouse gas reduction. Once the initial and future costs and non-GHG benefits have been determined they can be combined into a single cost-benefit metric (\$/ton).

4. **Calculate City Cost/Benefit of GHG Reduction Strategy.** This would only include costs directly related to city operations or infrastructure. The basic methodology for cost/benefit (C/B) analysis of a strategy should compare the GHG reduction benefit (calculated in step two) to the *city* net cost (calculated in step three), and is measured according to dollar per ton of CO₂e reduced.

For one time strategies, the following formula would apply:

$$\text{Cost Benefit (C/B)} = \frac{\text{Sum of Net Present Value NPV of GHG Reduction Cost (\$)}}{\text{Emissions Reduction Benefit (Tons)}}$$

The NPV of the net cost value "C" that occurs "t" years over the lifetime of the strategy depends on the discount rate. Menlo Park's Finance Department has recommended a conservative 4.8% discount rate, which is higher than discount rates typically applied to other city cost benefit analysis. Agencies such as Palo Alto and the Air Resources board typically use a timeframe of 20 years of implementation for most strategies, and a discount rate of 4.8 to 5 percent. It is recommended that Menlo Park use timeframes that are specific to the life of the strategy with the caveat that the time frame does not exceed 20 years.

$$NPV C = \frac{C}{(1 + 0.04)^t}$$

For strategies that produce a stream of annual reductions, the following formula would apply:

$$\text{Annualized Cost Benefit (\$ ton)} = \frac{\text{Sum of Net Present Value Cost (\$)} \times \text{Capital Recovery Factor (CRF)}}{\text{Annual Emissions Reduction Benefit (Tons)}}$$

The capital recovery factor (CRF) is defined as the product of the capital expenditure cost and the capital recovery amortized over a specified period of time at an annual discount rate of 4.8%. The CRF can be interpreted as the amount of equal payments received over the strategy's lifetime so that the present value of all the equal payments is equal to a payment at the present. For example, strategies that use a 20-year capital life with a 4.8% discount rate, the CRF is 0.07889 or approximately \$0.07 annually for each dollar of capital expenditure.

5. Calculate Total Community Cost Benefit:

The Climate Action Plan strategies not only impact the costs and savings to the city, but also can impact costs and savings for the community. For example, a sustainable green building ordinance would involve costs to the city (e.g. ordinance implementation, staffing for ongoing enforcement) and cost impacts to the community. The building applicant may realize a cost premium of 0.5% to 2% for upfront costs in comparison to costs for a non-green building. This upfront investment of 0.5% to 2% can produce beneficial life cycle savings of 20% of total construction costs for the permit applicant. Additional non-monetized benefits include significantly improved indoor air quality (reducing health issues such as asthma, etc.) for the building occupant from implementation of this strategy. Moreover, the Menlo Park community benefits from the reduced GHG emissions and reduced energy, water and other natural resources consumption.

The following formula will apply to calculate total community cost benefit:

$$\text{Total Cost Benefit} = \frac{\text{Annualized cost of GHG Strategy}}{\text{Annualized value of GHG benefits} + (\text{Annual GHG Reduction} \times \text{GHG Emission Value})}$$

*The GHG Emission Value is \$16/ton CO₂e, which is a standard value recommended by the Rocky Mountain Institute and is used in Palo Alto Climate Protection Plan.

The resulting format would look similar to the California Air Resources Board cost benefit analysis of AB 32 strategies for the State. The Air Resources Board completed a cost benefit analysis for a statewide tire pressure program, tire tread standard, low friction engine oils, and solar reflective automotive paint and window glazing. The cost benefit results are summarized in the table below.

| GHG Reduction Measure | Potential 2020 Reductions MMTCO ₂ E | Annualized Cost (\$Millions) | Savings (\$Millions) | Net Annualized Cost (\$Millions) [Cost-Savings] |
|--|--|------------------------------|----------------------|---|
| Tire Pressure Program *See cost benefit calculation below | 0.82 | 95 | 337 | -242 |
| Tire Tread Standard | 0.3 | 0.6 | 123 | -123 |
| Low Friction Engine Oils | 2.8 | 520 | 1,149 | -629 |
| Solar Reflective Automotive Paints and Window Glazing | 0.89 | 360 | 365 | -5 |

The air resources board used the following assumptions to calculate the cost benefit of implementing a tire pressure program:

| Tire Pressure Calculation | Cost (\$Millions) |
|--|-------------------|
| Capital cost for years 2010, 2015, 2020 (\$4M/year) | \$12.00 |
| Capital cost for years 2010, 2015, 2020, using 5 year Capital Recovery Factor (0.231) (Equipment needed for smog check stations) | \$2.77 |
| Maintenance cost for 2011-2014 and 2016-2019 periods (sum of \$1.2M/year for these periods) (1.2 x 8) | \$9.60 |
| Capital cost 2011-2014, 2016-2019, using 2 year CRF (0.537) | \$5.16 |
| Total capital cost for 2020 (sum of annualized costs: \$2.77M+\$5.16M) | \$7.93 |
| 2020 operating cost (labor costs for tire pressure check) | \$87.40 |
| Annualized cost for 2020 (2020 operating cost + Total Capital Cost for 2020) | \$95.33 |
| Estimated savings from fuel reduction and the 2020 projected fuel costs (92 million gallons of gas x \$3.673/gallon) | \$337 |
| Net annualized cost (cost-savings) (Annualized cost – GHG savings) | -\$242 |

The City of Palo Alto also used this cost benefit methodology to evaluate implementation of a Green Building Ordinance. The results of the cost benefit analysis are below.

Palo Alto Cost Benefit Analysis for Green Building Measures

| | | Measure 1a: Implement city ordinance for LEED-certified green building (commercial, mixed use, and multi-family) | Measure 1b: Implement city ordinance for GreenPoint Rated requirements (low-density, residential buildings) |
|---|------------------------------------|---|--|
| GHG emissions reductions (tonnes CO₂e/year) | | 2,263 | 851 |
| CITY COST/BENEFIT ANALYSIS | Cost (\$/year) | \$35,555 | \$66,031 |
| | Benefit (\$/year) | \$0 | \$0 |
| | Net Cost or (Benefit) (\$/year) | \$35,555 | \$66,031 |
| | \$/tonne CO ₂ e reduced | \$16 | \$78 |
| TOTAL COST/BENEFIT ANALYSIS | Cost \$/Year | \$414,812 | \$208,574 |
| | Benefit (\$/year) | \$1,843,290 | \$693,201 |
| | Net Cost or (Benefit) (\$/year) | (\$1,428,477) | (\$484,627) |
| | \$/tonne CO ₂ e reduced | (\$631) | (\$569) |
| | Stakeholders Included | Developers, Building Owners, Building Occupants, and City | Developers, Building Owners, Building Occupants, and City |

Recommended Next Steps of GHG Emission Reduction Strategies

This Climate Action Plan Assessment project was intended to complete a high level analysis of the 2009 Climate Action Plan's GHG reduction strategies and identify new strategies for consideration over the next five years. The next recommended steps include:

- Adopting a GHG emission reduction target in FY 11-12, and evaluate possible funding sources for consistent climate action plan work
- Calculating the community GHG inventory for 2010 in FY 11-12
- Actively market and provide additional incentives to increase participation in the regional Energy Upgrade California Program.
- Include evaluations of five year strategies in the annual Capital Improvement Plan and/or city budget process.
- Complete a Cost Benefit Analysis for the following Community Reduction Strategies in FY 11-12:
 1. Consider a Mandatory Commercial Recycling Ordinance
 2. Consider participating in BAWSCA's Lawn Replacement Incentive Program
 3. Consider increasing efficiency factors for methane capture at Bedwell Bayfront Park. This project is already included in the Capital Improvement Plan.
- Depending on current budget resources, complete the following for Municipal GHG reductions in FY 11-12:
 1. Developing an Environmental Purchasing Policy
 2. Continuing to install LED Streetlights
 3. Install water efficient water fixtures
 4. Install photovoltaic system on Onetta Harris Center

Appendix

Status of Menlo Park's 2009 Climate Action Plan's GHG Reduction Strategies

The following tables summarize the community and municipal GHG reduction strategies from Menlo Park's 2009 Climate Action Plan completed by ICLEI and approved by City Council in May 2009.

Community GHG Reduction Strategies -2009 Climate Action Plan

| Community GHG Reduction Strategies | Status |
|--|--|
| Residential Energy Audit Program (Green@Home) | Implemented; recommend alternative new program for 2011-2012 |
| Energy Efficiency/Renewable Energy Financing Program | Not Implemented Modified for FY2011-2012 to the California Energy Upgrade Program |
| Electric Plug-in Hybrid Vehicle Recharging Station | Not Implemented Proposed for FY2012-2013 |
| Expand Community Shuttle Service | Underway 2 Residential 2 Business Additional study underway to enhance service and ridership Many new developments already pay shuttle fee |
| Implement Bike Improvements | Underway Bicycle Master Plan <ul style="list-style-type: none"> • See related work for alternative transportation that includes completion of the "Safe Routes to Schools" for Laurel Elementary and Encinal (plan completed) and Hillview; City has a grant and construction planned for 2012 • CIP Projects to fund Safe Routes to Schools for Oak Knoll School |
| Enhance Recycling Collection Service | Implemented |
| Incentives for Building Practices that reduce energy consumption beyond current code | Not completed Recommend sustainable development ordinance FY2011-2012 |
| Early Implementation of CA Building Code | Not completed Recommend sustainable development ordinance FY2011-2012 |
| City Car Sharing Program | Not Implemented Recommended 2015-2016 |
| Limit Vehicle Idling | Not Implemented |

| Community GHG Reduction Strategies | Status |
|--|--|
| Transportation Demand Strategies | Underway Implemented with city/CCAG |
| Transportation Demand Strategies for New Developments | Partially implemented CIP projects include Transportation Demand Management Study Ordinance Study for 2015-2016 |
| Zero Waste Plan and Target | Not Implemented Recommend Policy adoption 2012-2013 |
| Require Recycling for Commercial Facilities | Not Implemented Proposed 2011-2012 |
| Construction and Demolition Recycling Ordinance Amendments | Not Implemented Proposed 2011-2012 |
| Menlo Park Municipal Water District Conservation Programs | Underway |
| Landscape Ordinance | Implemented |

Municipal GHG Reduction Strategies-2009 Climate Action Plan

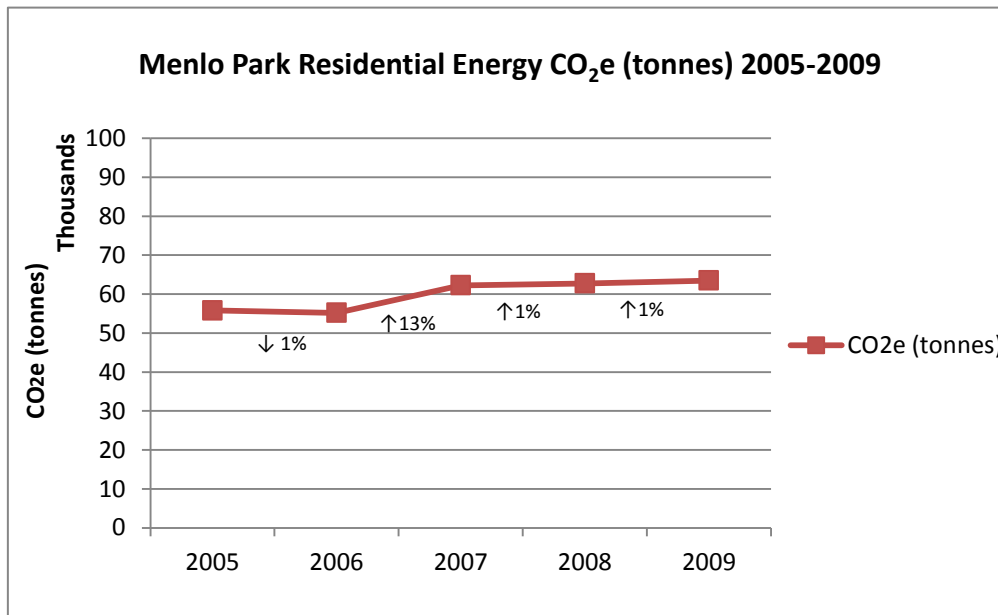
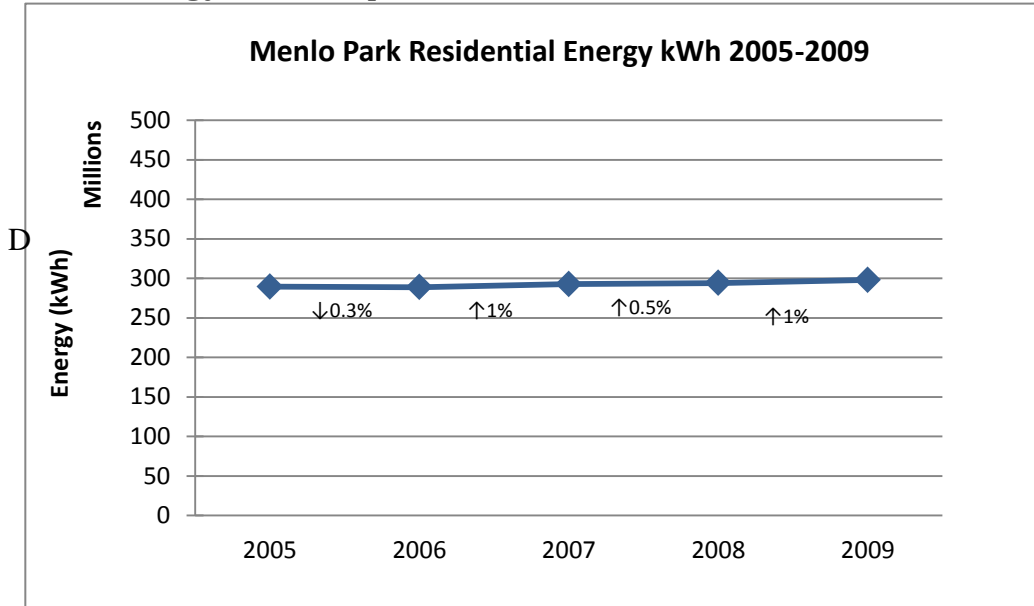
| Municipal GHG Reduction Strategies | Status |
|---|---|
| Roofing for City Buildings-Reflective and Energy Star | Partially implemented Proposed |
| Solar PV Panels for Corporation Yard | Not implemented |
| Replace existing streetlights with LEDs | Underway with 22% LED relighting Planned expansion/funding for 2011 In CIP for 2011-2012 |
| Sharon Heights Water Supply Pump Station | Planned |
| Solar Water heating for Belle Haven Pool | <i>In CIP 2011-2012</i> |
| Enhance Transit Pass/Carpooling Programs | Implemented |
| Marsh Road Landfill Methane Emissions Mitigation Bedwell Bayfront Park | Included in CIP for 2011-2012 Bedwell Bayfront Park Gas Collection |
| Enhance Recycling Collection Service at city facilities | Implemented |
| Install Water Efficient Fixtures in Municipal Facilities | In CIP for 2011-12 |
| PGE Climate Smart | Deleted |
| Climate and Energy Coordinator | Not Implemented |
| Plant Trees | Implemented/Additional El Camino Tree Planting for 2012-2013 and 2013-2014 Street Reforestation Project |

| Municipal GHG Reduction Strategies | Status |
|--|---------------------------------------|
| Environmental Preferable Purchasing Policy | Not Implemented Proposed 2011-2012 |
| Green Fleet Policy | Not Implemented |
| Idling Policy | Not Implemented |

Other Related Sustainability Projects Underway not in 2009 Climate Action Plan

- Energy Audits of City Administration in CIP for 2012-13
- Citywide Sidewalk Master Plan: Development of Citywide Sidewalk Master Plan adopted in 2009
- Safe Routes to Schools for Laurel Elementary and Encinal (plan completed) and Hillview, city has a grant received and construction planned for 2012
- Onetta Harris Community Center Solar Power Conversion (for \$400k) in 2011-2012

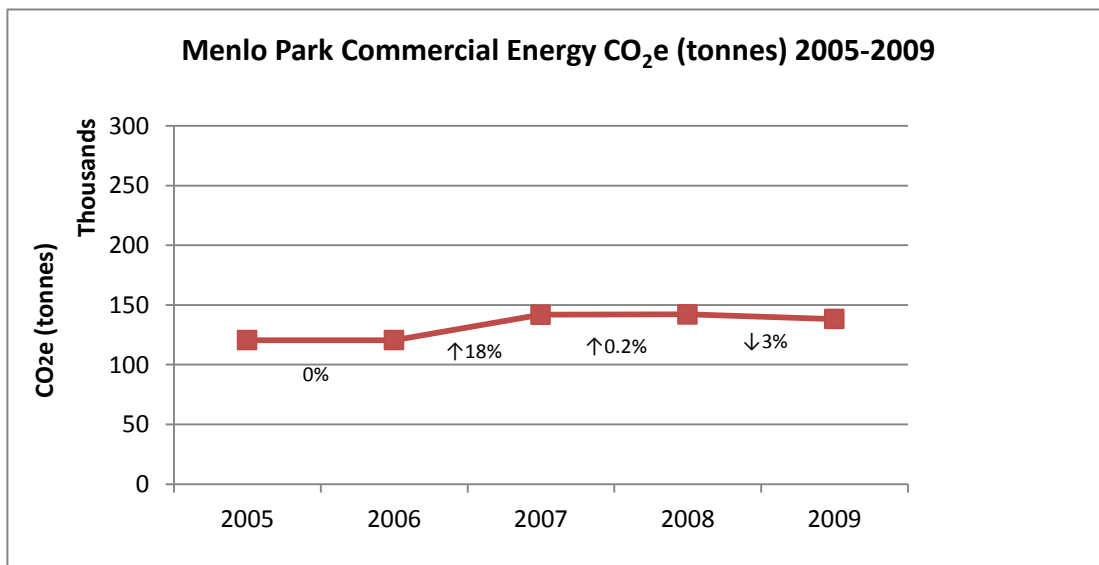
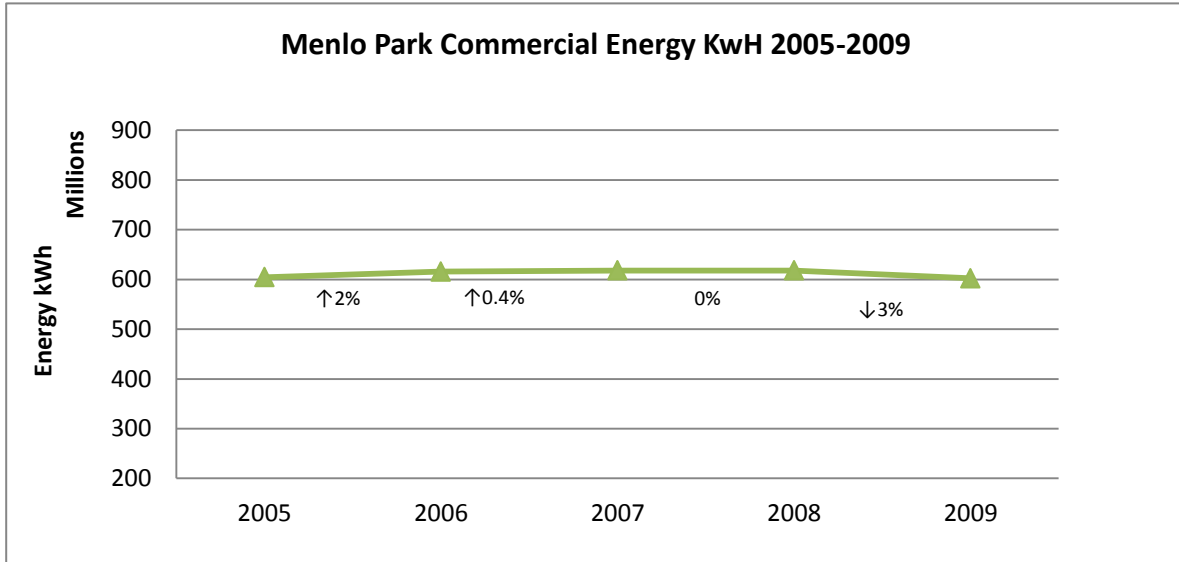
Residential Energy Consumption and Related Greenhouse Gas Emissions



From 2006 to 2007, there is a 13% increase in kWh CO₂e emissions attributed to two variables;

- 1) PG&E's changes its in emissions factors every year according to their power mix of fossil fuel and renewable energy use. For example, electricity emissions factors from 2006 to 2007 went from 0.4560lbs CO₂/kWh in 2006 to 0.6357lbs CO₂/kWh in 2007.
- 2) The energy provided from PG&E comes from a mix of energy sources. PG&E generates some of its energy from hydroelectric means which accounted for 35% of PG&E's electricity source mix in 2007. Due to drought conditions, PG&E had to generate energy from other sources. This explains the increase in emissions factors.

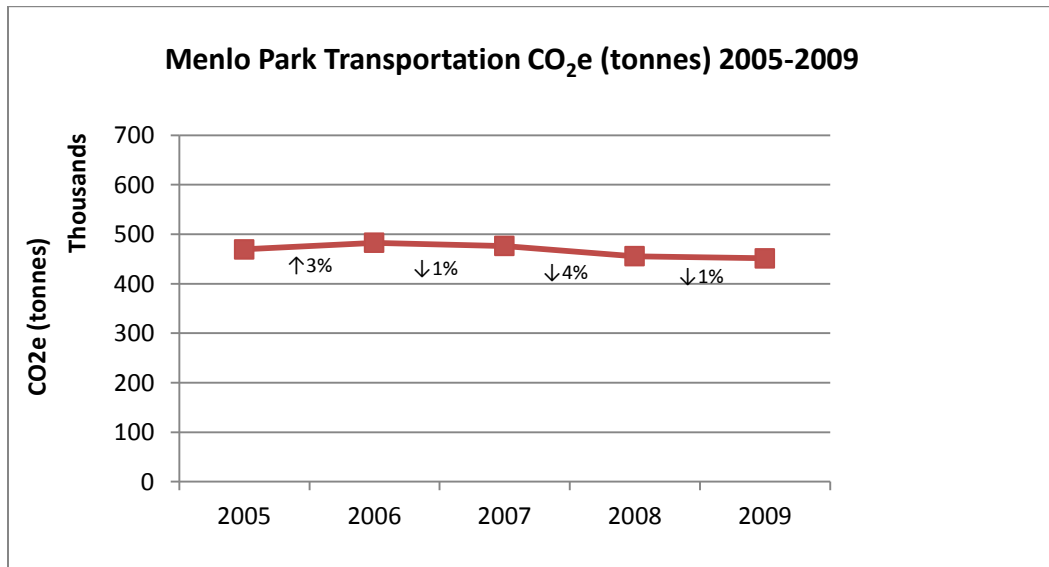
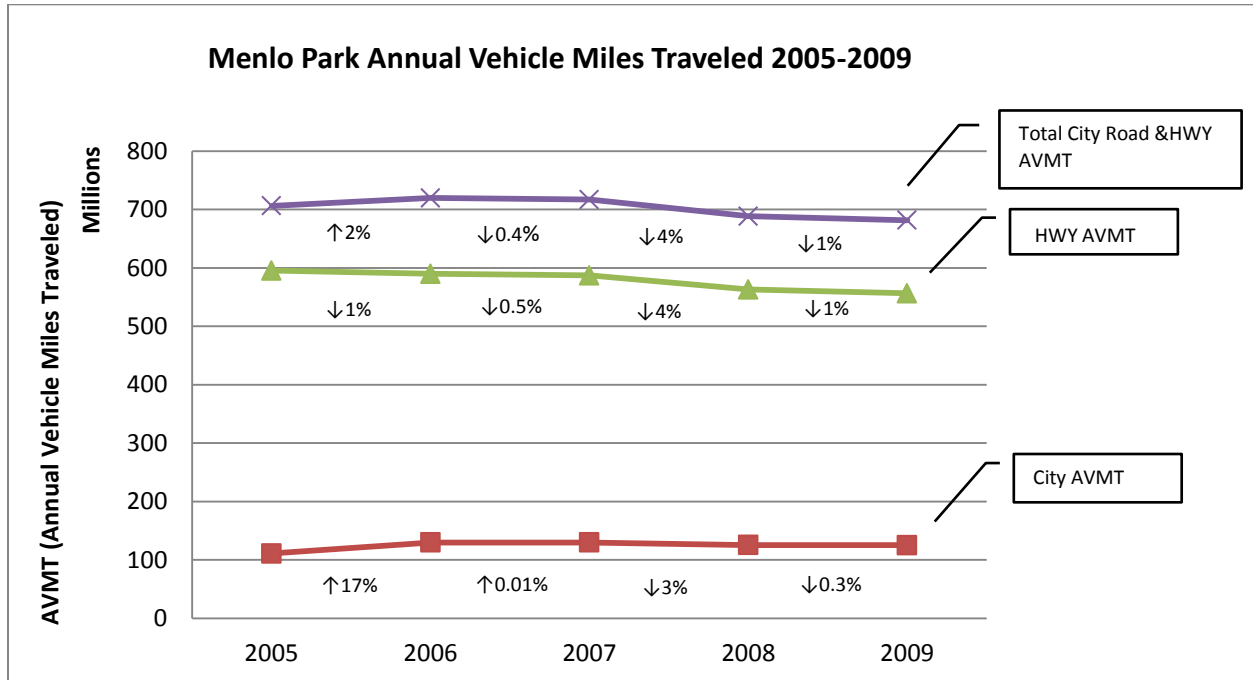
Commercial Energy Consumption and Related Greenhouse Gas Emissions



From 2006 to 2007, there is a 18% increase in kWh CO₂e emissions attributed to two variables;

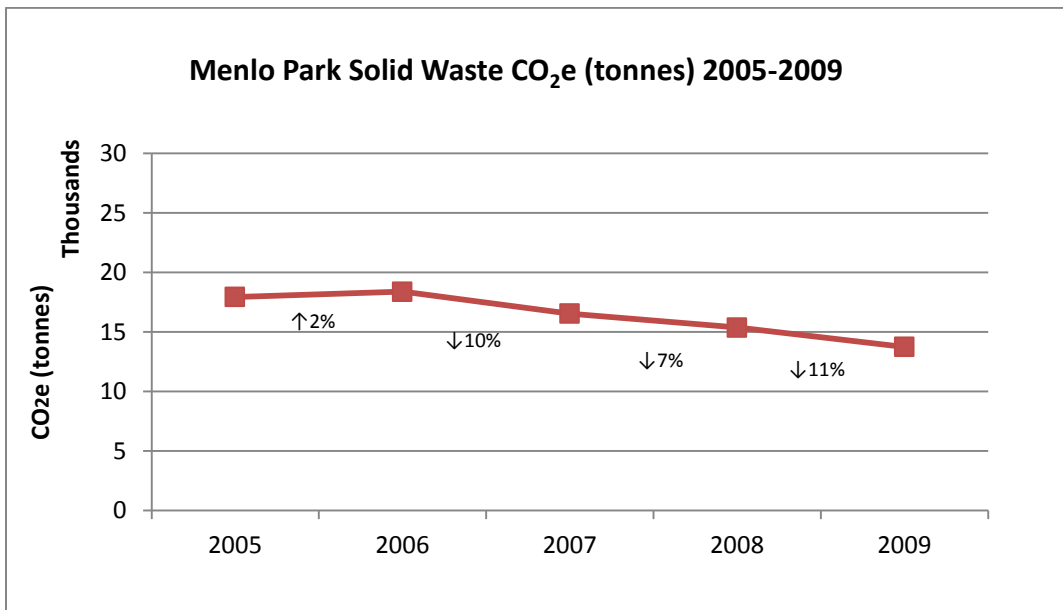
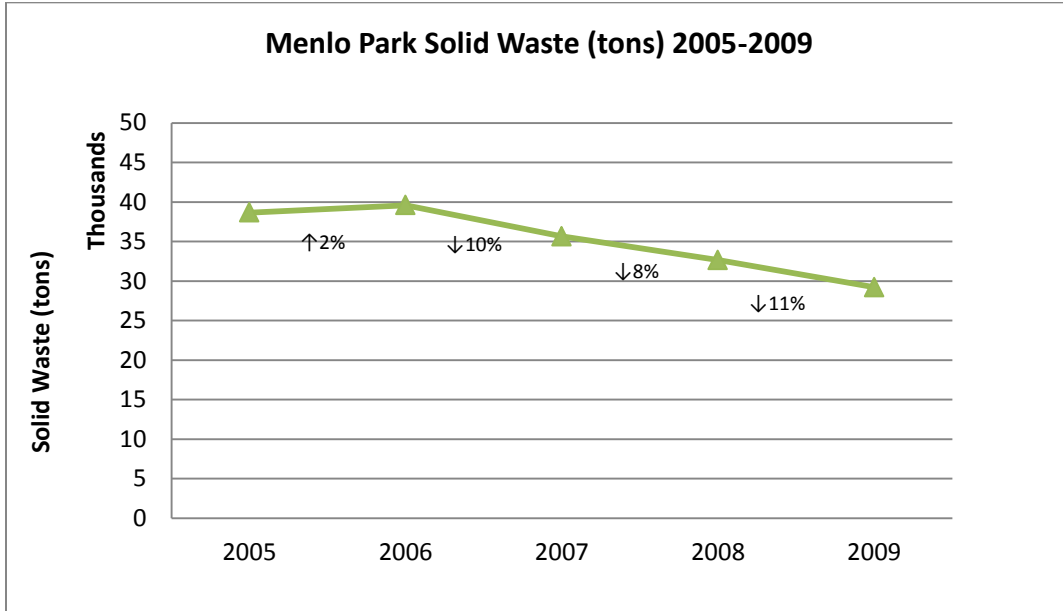
- 1) PG&E's changes its emissions factors every year according to their power mix of fossil fuels and renewable energy sources. For example, electricity emissions factors from 2006 to 2007 went from 0.4560lbs CO₂/kWh in 2006 to 0.6357lbs CO₂/kWh in 2007.
- 2) The energy provided from PG&E comes from a mix of energy sources. PG&E generates some of its energy from hydroelectric means which accounted for 35% of PG&E's electricity source mix in 2007. Due to drought conditions, PG&E had to generate energy from other sources. This explains why PG&E needed to adjust their emissions factors.

Transportation and Related Greenhouse Gas Emissions

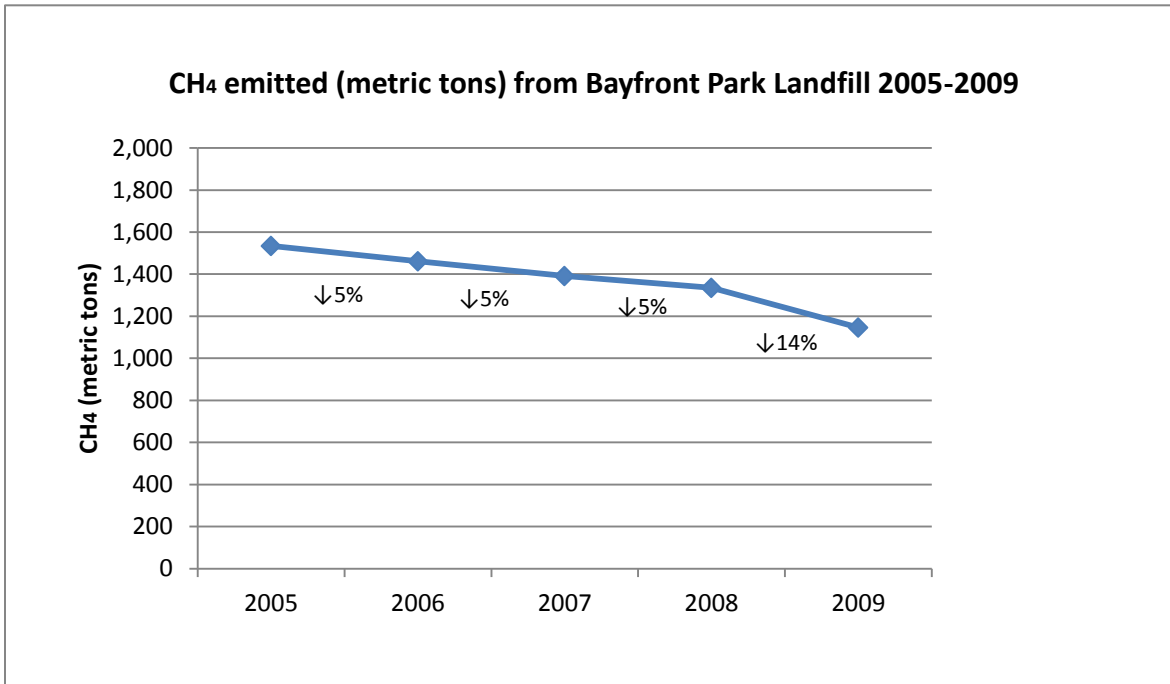


The graphs above represent the CO₂e emissions from the transportation sector for the years 2005-2009. After 2006, the CO₂e begins to decline at an average of 2% due to the economic recession and rising gas prices. Between 2007 and 2008 there is a 4% decrease in CO₂e emissions which may be explained by California average gas prices peaking in 2008 at an average of \$3.56/gal. The rise in gasoline prices cause residents to utilize other means of transportation such as public transportation, biking, walking, or carpooling.

Solid Waste Landfilled and Related Greenhouse Gas Emissions



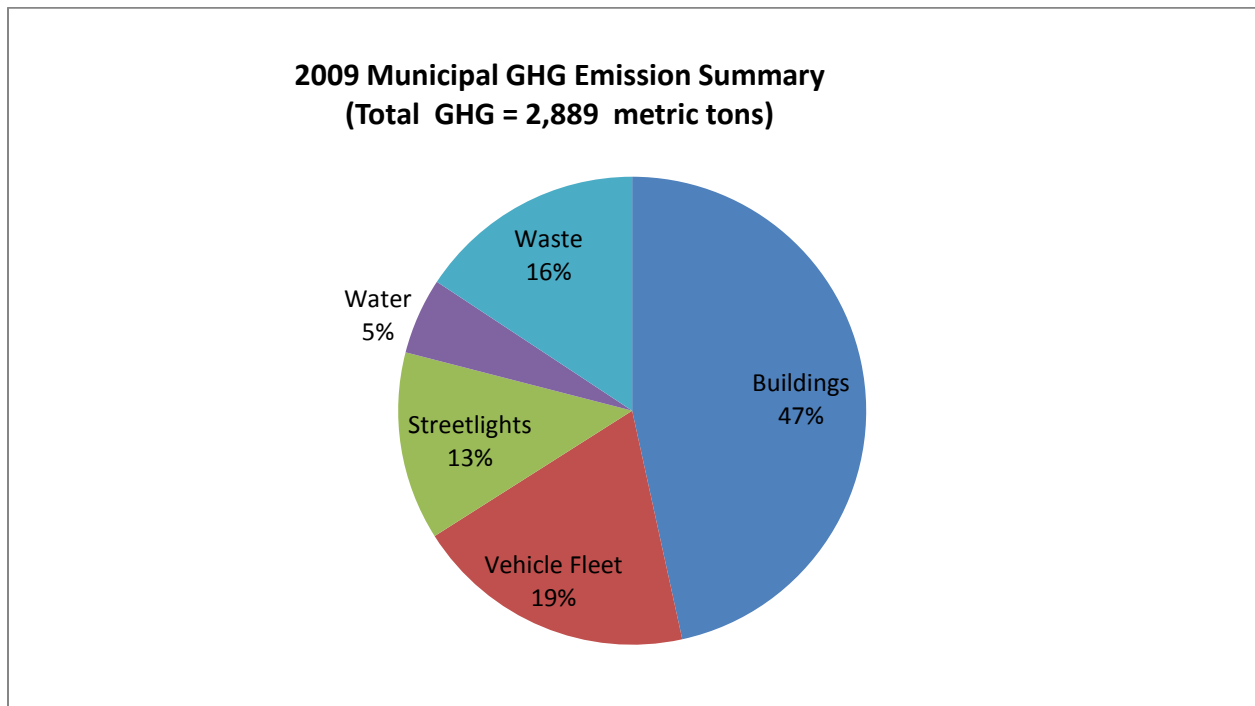
Bayfront Park Landfill Emissions



In Menlo Park's 2005 emissions inventory, the Methane capture rate of the Gas Recovery System (GRS) was estimated using default values in Landgem 3.02 (software developed by the Environmental Protection Agency). This was considered the best available screening tool for estimating landfill gas emissions at the time. More recently, the City of Menlo Park was able to obtain landfill emissions calculations directly from Fortistar, the operator of the GRS system in place, for 2008 and 2009. Under the guidance and recommendations of ICLEI, it was advised that using data directly from Fortistar in conjunction with using CACP (Clean Air and Climate Protection) software to generate emissions calculations would display a more accurate representation of the emissions at the closed landfill.

Since the best available data for use was 2008 and 2009, estimates were made for 2005, 2006 and 2007. Fortistar stated that the amount of landfilled gas captured is typically reduced 5% per year. Thus, 5% was added from the 2008 emission calculation to accurately reflect emissions from 2005-2007.

Inventory of Municipal Operations Greenhouse Gas Emissions



Emissions from the City are embedded within the community-wide totals. For example, emissions from government buildings are included in the “Commercial” sector and emissions from City fleet vehicles are included in the “Transportation” figure above. Government operations are therefore a subset of total community emissions. In the year 2009, the City of Menlo Park’s municipal operations generated 2,889 metric tons of CO₂e, which constitutes 0.004% of the community’s total green house gas emissions. This is a 25% increase compared to 2005 total emissions (2,305 tonnes).

Electricity and natural gas use in the City’s buildings contributed to 47%, the vehicle fleet contributed 19% of this total, and the remainder of CO₂e came from streetlights, waste, and the electricity for pumping water and storm water.

Municipal Buildings - Electricity and natural gas use in the City’s buildings contributed to 47% of CO₂e from municipal operations. This is a 14% increase compared to in 2005. This increase can be attributed to increases in PG&E’s greenhouse gas CO₂ emission rates for electricity in 2009. Another reason for the increase is the construction of new buildings from 2005-2009.

Vehicle Fleet - In 2009, Menlo Park's municipal vehicle fleet is responsible for the second largest share of overall municipal emissions at 19%. This is a 9.4% reduction is a reduction compared to 2005. Menlo Park's vehicle fleet consists of analyzing the fuel consumed by City vehicles and equipment, such as police vehicles and the tractors used for landscaping

Streetlights - The energy consumed by the City's street lights accounted for 13% of municipal operations greenhouse gas emissions in 2009. This analysis included the energy consumed by streetlights, traffic signals, park lighting, decorative lights, and parking lot lights. There was a 1.1% increase in these emissions compared to 2005. This increase can be attributed to the addition of more streetlights, including signal cameras that were added in 2008.

Water/Sewage - The emissions resulting from the energy used to pump potable water remained the same at 5% in 2005 and 2009. This analysis excludes pumping and treatment of wastewater that is carried out by the West Bay Sanitary District (WBSD), East Palo Alto Sanitary District (EPASD), and the South Bayside System Authority (SBSA).

Waste - In 2009, the relative contribution of landfilled waste from municipal operations to greenhouse gas emissions is 16%. There is a 4.8% decrease compared to 2005. This decrease can be attributed to the reduction of solid waste sent to the landfill from year to year.

Data Sources for GHG Inventories:

- Electricity and natural gas data provided by PG&E.
- Direct Access data provided by the CEC (California Energy Commission).
- Population and Solid Waste data provided by Rebecca Fotu, Environmental Programs Manager.
- Gasoline data obtained from
http://www.eia.gov/oil_gas/petroleum/data_publications/wrgp/mogas_history.html
- Menlo Park gasoline sales data provided by John McGirr, City of Menlo Park Finance.
- Transportation data provided by the MTC (Metropolitan Transportation Commission)
- Vehicle Mix data provided by the ARB (Air Resources Board).
- Solid Waste Breakdown obtained from the CIWMB (California Integrated Waste Management Board website).
- Methane data provided by Fortistar.

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**Report by Menlo Park Environmental Quality Commission to City Council
on Establishing Targets for Reducing
Community-wide Greenhouse Gas Emissions**

January 9, 2013

SUMMARY OF RECOMMENDATION

This Commission strongly recommends that Menlo Park assume a leadership role by setting a goal of a 27% reduction in community-wide greenhouse gas emissions from the 2005 baseline emissions by 2020. We further recommend that Staff develop an annual reporting mechanism to assess the impact of specific GHG reduction measures and progress toward attaining the overall GHG reduction target.

BACKGROUND

City Council first directly addressed climate change as a local issue toward the end of 2006 and subsequently the Menlo Park Green Ribbon Citizens' Committee was convened as an informal advisory body to Council and tasked with researching and reporting on the likely impacts of climate change in our community and region, and assessing how Menlo Park as a community can most effectively respond to climate change.

This turned out to be an unprecedented community engagement initiative, as more than 130 citizens actively participated in the GRCC over the first 9 months of its existence and more than 40 contributed to the Report and Recommendations that was presented to Council more than 5 years ago, in November 2007. Only one of you, Councilman Cline, had a seat at the dais for this presentation.

The GRCC Report included the following key elements:

- The warming of the climate is unequivocal with global temperature increases in the past 50 years mostly due to human causes.
- Peninsula and Menlo Park impacts by 2100 are likely to include regular inundation east of Highway 101 during the rainy season due to sea level rise and potential disruptions in clean water and electricity supplies due to loss of Sierra snowpack.
- Stabilizing the global temperature increase to 2 degrees Celsius to avert worst impacts of climate change would require an 80% drop in annual GHG emissions below 2000 levels by 2050.
- The longer we wait to act, both mitigation and adaptation will be more difficult and costly.
- The report recommends 130 municipal and community actions, several of which have been incorporated in the Menlo Park's Climate Action Plan and 5-year CIP.

INTERIM DEVELOPMENTS

In the intervening 5+ years Menlo Park has only begun to grapple with this issue. Menlo Park is better positioned than many communities, yet we have not determined whether to play a role as a leading community in addressing the climate crisis, and Council has failed to adopt GHG reduction targets. In keeping with Mayor Ohtaki's astute branding statement that "The Future Begins in Menlo Park," this Commission strongly recommends that Menlo Park assume a leadership role by setting a goal of a 27% reduction in greenhouse gas emissions by 2020.

While we might kindly state that our community has taken this time to ensure a thoughtful approach to this question, the planet's climate has not been so kind. Scientists have recently observed the following:

- Global carbon emissions increased by 5.9% (500M tons of CO₂) in 2010, the largest annual increase ever recorded.
- The world is heading for a 3.5°C warming based on current emissions and actions, nearly double the threshold scientists believe necessary to avert catastrophic levels of sea level rise and other significant impacts.
- Recent research in sea level rise that takes into account the probability of melting land ice in Greenland and Antarctica indicates the potential for sea level to rise 4-6 meters, which would submerge everything east of 101.

If the major GHG emitters, such as China, India, and the United States, had taken concerted action over these past 5 years and adopted a combination of incentives and restrictions to effectively ensure the required reductions, we would perhaps not place such a degree of importance on local action. In the teeth of a major worldwide recession, far too little was done by governments, acting in concert, yet superb technological advances did occur that provide a platform for the next stage of action. Given the absence of national leadership, we believe it is incumbent upon regional and local governments and communities to initiate concerted efforts.

OPPORTUNITIES FOR ACTION

Indeed, we believe that such action will have significant long-term benefits for the Menlo Park community. Of course, we can continue to build Menlo Park within an old paradigm of energy inefficiency that fails to adopt established best practices and builds outdated technologies into long-lived capital investments. The status quo likely would result in significant long-term costs to operate and require future retrofits to comply with more stringent requirements associated with AB-32. Menlo Park can enhance its competitive business environment by taking a leadership path. If we fail to act, we may miss the boat on climate, policy requirements, and opportunities to save. By acting early, we act wisely and with the added benefit of making Menlo Park a more livable community.

As a center of innovation spanning Sand Hill Road to Facebook, Menlo Park is in a unique position to exert leadership in addressing climate change and leverage its efforts

and successes. We of the EQC call on City Council to adopt the 27% GHG reduction targets that will place Menlo Park among the existing leaders and enable our community to live up to our reputation as a center of innovation. If the future does indeed begin in Menlo Park, then let us begin to address our community's greenhouse gas emissions with the level of urgency and effectiveness that the world requires to stabilize the climate. In 2007, the GRCC Report pointed out:

"Because global warming emissions remain in the atmosphere for up to 100 years, the choices we make today will greatly influence the climate and quality of life our children and grandchildren inherit."

COMMISSION RESPONSE TO COUNCIL GUIDANCE

During your March 13 Study Session on Greenhouse Gas Reduction Targets we noted that generally you were supportive of the recommended 27% reduction target by 2020, subject to two primary considerations:

- 1) Greater understanding of potential funding opportunities to remedy the anticipated resource shortfall of \$250,000-\$400,000 per year to achieve the reduction target, and
- 2) Better assessment of the potential impact of greenhouse gas reduction target on development within the Menlo Park community.

In response to Council's request that the EQC address these concerns in greater depth, Environmental Quality Commissioners have met numerous times with staff as individuals, as an Ad-hoc Subcommittee, and as a Commission to research and gain further perspective on these issues.

RECOMMENDATION

After further deliberation, we conclude that it is possible to reconcile higher emissions reduction targets with both the fiscal and development criteria. We reiterate our January 4, 2012 recommendation and urge Council to thoughtfully establish strong goals for Menlo Park that align with larger statewide and international targets. In order to attain statewide and international GHG reduction targets by 2050, we recommend that Council adopt a near-term community-wide GHG reduction target of 27% by 2020 below the 2005 baseline. We further recommend that Staff develop an annual reporting mechanism to assess the impact of specific GHG reduction measures and progress toward attaining the overall GHG reduction target.

Based on research and discussions since the March 13 Study Session, we believe that sufficient funding sources are available to address the shortfall of \$250,000 - \$400,000 estimated by staff. We also believe that significant co-benefits will be available to developers who contribute toward reducing Menlo Park's greenhouse gas footprint, whether through voluntary action or through meeting more stringent potential future requirements for energy efficiency and related measures.

POTENTIAL FUNDING SOURCES FOR GHG REDUCTION INITIATIVES

The Staff Report accompanying the March 13 Study Session discussed the following potential funding sources for GHG reduction initiatives:

“If the 17% or 27% reduction target is recommended, it would require additional resources to implement. One option that was discussed in the community workshops was increasing the Utility User Tax because utilities are closely linked to generation of greenhouse gas emissions. There were also discussions to involve public and private partnerships to fund activities. The other option would be to continue to seek out grants, and annual request that climate action strategies be funded through the Capital Improvement Plan and budgetary processes, although this approach conflicts with ongoing effort to create a sustainable budget, or can shift other project priorities to a later date.”

Recent efforts have focused on exploring these options, and the following six financial resources appear to be feasible:

1) Public/Private Partnerships.

Staff has worked with Commissioner DeCardy (who works in the field of philanthropy) to identify several foundations that fund GHG reduction strategies. From preliminary staff discussions it appears that Menlo Park could qualify for funding as a pilot location for a variety of communitywide initiatives and/or specific energy efficiency programs geared toward lower income neighborhoods. The EQC estimates that \$50,000-\$100,000 of annual funding could be made available through these types of sources.

2) Local Business and Community Resources

Much as staff has successfully partnered with Menlo Park citizens to meet a portion of funding requirements for significant new recreational facilities, the EQC believes it is very feasible for comparable funding of GHG strategies and/or in-lieu resources to be obtained from the local business community and/or private individuals. Indeed, Menlo Park is home to a number of venture capital firms with a substantial clean technology investment focus, has recently approved three substantial land use proposals with notable sustainability features (Menlo Gateway, Menlo Business Park, Facebook), and includes several other major businesses with sustainability commitments and/or direct involvement in clean technology development (The Rosewood, SRI). Menlo Park companies such as Facebook and other sustainability leaders have expressed a willingness to collaborate with staff and the EQC on GHG reduction initiatives and will consider providing resources to supplement other City and community efforts. While it is difficult to speculate on the outcome of such preliminary brainstorming, the EQC believes it is reasonable to assume that \$50,000-\$100,000 of annual funding and/or resources could be made available.

3) Renewable Energy Credit Trading: Bedwell Bayfront Park Methane Recapture

Commissioner Slomiak recently met with an executive from a firm that pairs companies requiring renewable energy credits (RECs) with available sources of RECs. This

executive has knowledge of the methane recapture operation at Bedwell Bayfront Park. He believes that, subject to contractual obligations, this could be a “\$1 million opportunity” for Menlo Park and is interested in further discussions with the City.

4) Core Planning Initiatives for Menlo Park Reduce Spending Requirements

Upcoming Capital Improvement Plan projects related to general plan and zoning review provide the City an opportunity to examine and incorporate GHG reduction strategies. As these projects are already funded, such initiatives can provide substantial funding co-benefits toward achieving the GHG reduction goals.

5) Use of Captive Sustainability-Related Funds

Staff is working to identify existing dedicated funds outside of the City’s general fund, as well as development impact fees, that could be utilized toward GHG reduction strategies. The City could also dedicate a portion of the savings from municipal energy efficiency measures toward this funding. Preliminary discussions indicate that \$50,000 of annual funding could be available.

6) Utility Users’ Tax

Per prior staff discussion, this mechanism is used by numerous municipalities to help fund GHG reduction strategies. Because Utility Users have the ability to conserve energy and reduce their tax bill, this measure would provide a targeted incentive for users to reduce greenhouse gas emissions at their discretion, and would be complementary with programs to encourage residential and commercial conservation. As 54% of Menlo Park’s communitywide GHG emissions are related to commercial and residential buildings, such use of funds appears sensible to us. Indeed, an increase of just 0.25% would result in approximately \$125,000 in annual funds and a 0.5% increase would result in approximately \$250,000 in annual funds which would be sufficient to address the estimated staffing shortfall.

Based on the above discussion the EQC believes it will be quite feasible to develop funding sources to address staff’s estimated annual spending gap of \$250,000-\$400,000.

IMPACT ON DEVELOPERS FROM GHG REDUCTION INITIATIVES

The EQC’s Sustainable Building Ad Hoc Subcommittee is in the process of identifying recent best practices in communitywide GHG reduction strategies. The Subcommittee has learned of a voluntary development arrangement within Seattle, Washington aimed at sharing best practices among developers, for example. This initiative highlights substantial improvements in building operating costs for sustainable buildings over older construction and is resulting in premium pricing for such buildings.

Overall we anticipate that early adopters will experience higher up-front construction costs and that as GHG measures are more widely adopted the costs will normalize. At the same time, early adopters will offer the market developments with lower operating costs and may be able to offset such costs with higher leasing fees.

We recommend that Menlo Park staff and relevant commissions collaborate with developers in the conception and implementation of GHG reduction strategies. We may learn that developers are willing to move much more aggressively than one might otherwise assume. In fact, Clarum Homes, winner of the Environmental Quality Award this past year, demonstrates that sustainable development is profitable and desirable.

LEADERSHIP OPPORTUNITY FOR MENLO PARK

Over the last several years climate scientists are observing impacts of global warming that are more severe than many earlier climate models have predicted. Among these are the melting of the Greenland ice sheet, ice-free days within the Arctic Circle, extensive drought conditions within the United States, a higher incidence of severe wildfires, glacial and snowpack melt, earlier onset of spring, and weather instability. Worldwide GHG emissions continue to grow, and the largest national emitters have thus far failed to collaborate toward concerted action.

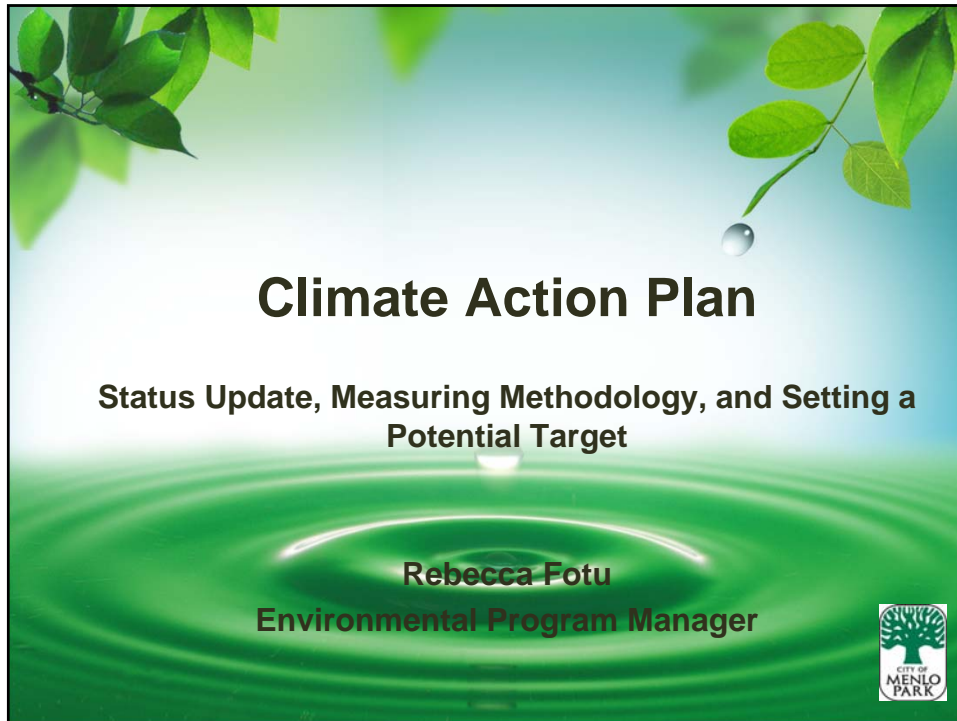
Yet, many individual countries, states, and municipalities are adopting GHG reduction measures, some of which are more aggressive than those contemplated by Council.

The EQC believes that we in Menlo Park have a unique opportunity to leverage our reputation to achieve a much greater impact than reducing the 400,000 metric tons of annual CO₂ emissions that are the community's direct responsibility. Menlo Park, as home to numerous venture capital firms and now to Facebook, has a reputation as a center of innovation. Should Menlo Park exert the will to become a climate action leader, this reputation can be leveraged to inspire many other communities toward comparable or even more aggressive action.

URGENCY TO ACT

Thus far, based on our review of Menlo Park's annual GHG emissions, we have been falling short as a community by failing to reduce GHG emissions in the five years since Council first began addressing this issue. The best we can say is that our community has averted the business-as-usual scenario of continual increase. We have an opportunity to capitalize on the recent respite. Otherwise, the annual cost of achieving an 80% reduction by 2050 will continue to rise should Menlo Park continue to defer action and/or adopt an insufficient GHG reduction goal.


We look forward to Council action in line with our recommendation and are poised to continue our collaboration with staff to identify new GHG reduction best practices and identify sufficient funding that enables Menlo Park to take its place as a climate action leader.

A presentation slide with a green and blue background. At the top, there are green leaves and a water droplet. The title "Climate Action Plan" is centered in a large, bold, black font. Below it, the subtitle "Status Update, Measuring Methodology, and Setting a Potential Target" is centered in a smaller, bold, black font. The presenter's name "Rebecca Fotu" and title "Environmental Program Manager" are centered below the subtitle. In the bottom right corner, there is a small logo for the City of Menlo Park, which features a tree and the text "CITY OF MENLO PARK".

Climate Action Plan


Status Update, Measuring Methodology, and Setting a Potential Target

Rebecca Fotu
Environmental Program Manager

A presentation slide with a green and blue background. At the top right, there are green leaves and a water droplet. The title "Environmental Program Operations and Climate Action Plan (CAP)" is centered in a large, bold, black font. Below the title, there is a list of responsibilities for two full-time staff members, starting with a diamond symbol and followed by a bulleted list of items.

Environmental Program Operations and Climate Action Plan (CAP)

- ❖ Two full time staff dedicated to administering:
 - Water Conservation Programs
 - Stormwater Permit Compliance (State Mandate)
 - Heritage Tree Ordinance appeals
 - Solid Waste Management (State Mandate)
 - Liaison to EQC, other departments and public
 - Climate Action Plan (CAP) activities
 - Other sustainability initiatives



Background

- ❖ Global Warming Solutions Act AB 32 (2006)
- ❖ Climate Action Plan (CAP) Adopted (2009)
 - Green Ribbons Citizen Committee (GRCC)
 - Environmental Quality Commission (EQC)
 - Developed by ICLEI
- ❖ Supplemental Assessment Report Adopted in 2011
 - Five year strategies
 - Cost benefit analysis methodology before implementation
 - Provided update on implementation of past strategies



Menlo Park Green Ribbon Citizens' Committee

Climate Action Report & Recommendations
November 14, 2007



Because global warming emissions remain in the atmosphere for up to 100 years, the choices we make today will greatly influence the climate and quality of life our children and grandchildren inherit.

2013 CAP Update

- ❖ Reviewed by EQC
- ❖ Updated five year strategies and greenhouse gas inventory
- ❖ Change to measuring transportation emissions



Draft Five Year Strategy

❖ 2013-2014 consider:

- Sustainable Building Ordinance
- Energy efficient/renewable energy five year plan for commercial and residential sector
- Incorporating CAP strategies into General Plan update



❖ 2014-2015 consider:

- Mandatory commercial recycling ordinance
- Social marketing program to change behaviors towards biking, using public transit, and walking in the community



Draft Five Year Strategy Continued

❖ 2015-2016 consider:

- Zero Waste Policy
- Installation of electric plug in recharging stations

❖ 2016-2017 consider:

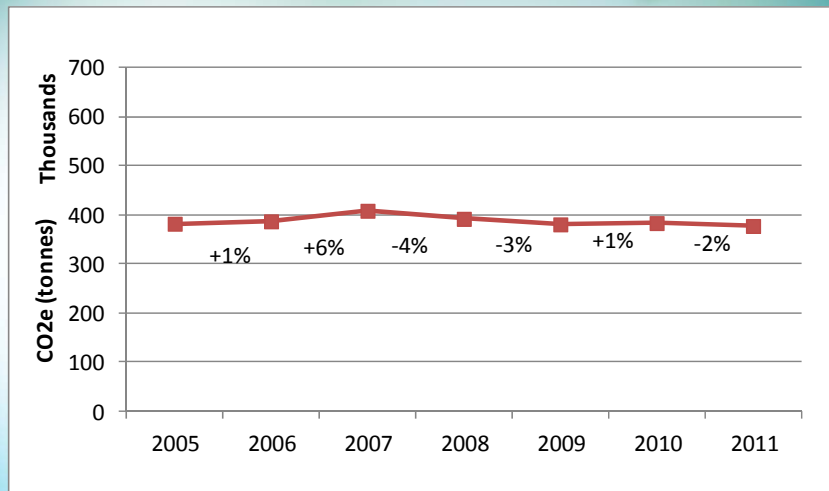
- Bike sharing program

❖ 2017-2018 consider:

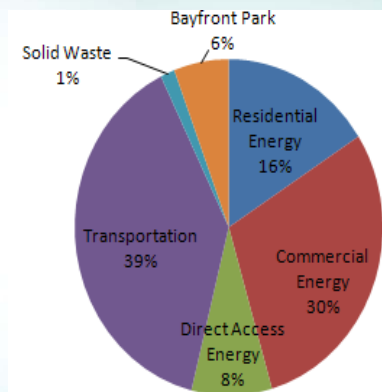
- Car sharing program
- Local food production and/or social marketing methods



Community Greenhouse Gas Inventory Update



2011 Community Greenhouse Gas Emissions By Source (Total = 377,669 Tons)



Transportation Measurement Changes

- ❖ Previously Used Vehicle Miles Traveled (VMT)
 - Recommended by ICLEI (Local Government for Sustainability)
 - Used by other local governments
 - Several months to obtain data
 - Inaccurate data received
 - Based on a model

- ❖ Recommend using gasoline consumed
 - Easily accessible data
 - Provides more realistic data with pricing and employment growth.
 - Data resembles VMT local road travel

Council Question

- ❖ Is the Council comfortable with using a different measuring methodology for transportation?

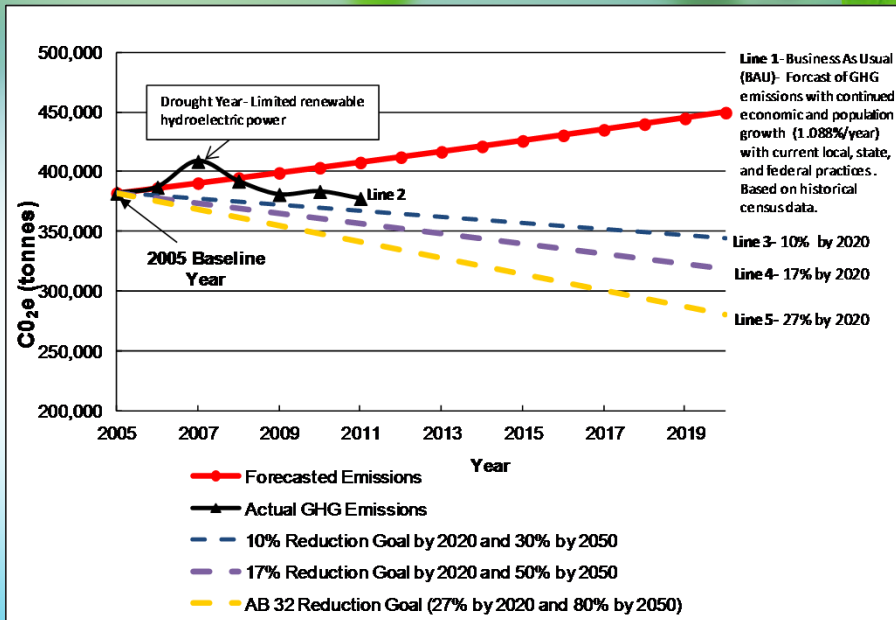
Background Greenhouse Gas Reduction Target

- ❖ 29 Bay Area communities have adopted a target and it is considered a vital component to a Climate Action Plan
- ❖ There are benefits in adopting a target include:
 - Cost effective strategies can be applied near term to maximize reductions- higher energy code requirements (explain)
 - Places City in better position to receive grants and outside funding sources
- ❖ Presented target options in 2011 Supplemental Report that were 10%, 17%, and 27% below 2005 baseline levels by 2020

Background GHG Target

- ❖ Council directed staff to obtain community feedback before selecting target
 - Two evening workshops (less than five participants)
 - Survey sent to Chamber businesses and GRCC (17 received)
 - Majority supported 27% reduction target and using City funding to meet goal
- ❖ Study session held in March 2012
 - Council expressed interest in adopting 27% reduction target in line with AB 32 goal.
 - Wanted additional research on funding to reach goal

Menlo Park GHG Forecast and Potential Targets



Impact of State Initiatives

- ❖ AB 1493 (Pavley I & II) fuel standard
- ❖ Renewable Energy Portfolio Standard

| Reductions Needed After Incorporating State Reductions | 10% | 17% | 27% |
|--|---------------|---------------|----------------|
| Total reduction needed from growth line to achieve goal (Metric Tons) | 105,564 | 131,041 | 169,256 |
| State Initiative Reductions | 66,000 | | |
| Total reduction Menlo Park would still need to achieve goal (Metric Tons) | 39,564 | 65,041 | 103,256 |

Case Study

- ❖ Menlo Business Park
 - 13 buildings (900,000 sq.ft)
 - Spent over \$2 million on energy efficient upgrades (payback is 6.5 years)
 - Saved 40%-70% on energy consumption
 - Reduced over 500 tons of GHG emissions

- ❖ It would take 80 similar sized projects (72 million square feet) to meet the 10% target in Menlo Park
 - 130 for 17% reduction target
 - 207 for 27% reduction target
 - Menlo Park has 14.5 million square feet of commercial and industrial buildings



Potential Costs and Funding

- ❖ Focus would be on energy consumption, transportation, and solid waste reduction.

- ❖ Estimated Funding Needed:
 - 10% reduction – up to \$150,000/yr of sustained funding
 - 17% reduction- up to \$250,000/yr of sustained funding
 - 27% reduction – up to \$400,000/yr of sustained funding

- ❖ Potential funding sources:
 - Continue to incorporate in Capital Improvement Plan or operating budget
 - Public Private Partnerships
 - City Operation Energy and Fuel Savings
 - Utility User Tax (UUT)

Continue to Incorporate in Annual Budgeting Process

- ❖ Current method used to fund CAP activities
- ❖ Competes with other city priorities and may cause delays or inability to implement programs or policies

Public Private Partnerships

- ❖ Supported by the EQC and relies less on city funding sources
- ❖ Competitive process and potentially limited scope of program work
- ❖ Does not guarantee long term funding that may be needed to sustain programs or policies
- ❖ Requires additional staff time and expertise
 - Limit CAP implementation
 - Requires hiring a fundraising consultant



City Operation Energy and Fuel Savings

- ❖ Use savings from energy efficient upgrades made to buildings, vehicle fleet, and/or renewable power
- ❖ Less burden on existing city programs or services
- ❖ Payback on upfront capital costs would not be realized
- ❖ Could provide up to \$20K per year

Utility User Tax (UUT)

- ❖ Electricity, natural gas, water, phone, and cable
- ❖ Currently set at 1% for Menlo Park
 - Rate can be increased to 3.5%
 - Can be limited to only certain utilities, such as electricity and gas
- ❖ Current revenue is \$470K for electric and \$120K for natural gas.
 - 0.25% increase would provide \$147K
 - 0.5% increase would provide \$295K
 - 1% increase would provide \$590K

Questions for Council

- ❖ Does Council want to consider adopting a greenhouse gas reduction target?
- ❖ If a GHG target should be considered, which target would Council consider adopting for 2020? Should a 2050 target be considered?
- ❖ Depending on which target is adopted, what funding sources should staff pursue to ensure that Menlo Park can reach its target?

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Below is a current survey of community greenhouse gas reduction targets set in other communities

| California Cities | Community-Wide Target below 2005 levels unless otherwise stated |
|----------------------------|--|
| Alameda | 25% by 2020 |
| Benicia | 10% below 2000 by 2020 |
| Berkeley | 30% by 2020, 80% by 2050 |
| Burlingame | 15% by 2020, 80% by 2050 |
| Foster City | 25% by 2020 |
| Fremont | 25% reduction by 2020 |
| Hayward | 13-18% by 2020 |
| Hillsborough | 15% by 2020, 80% by 2050 |
| Los Altos Hills | 30% by 2015 |
| Los Angeles | 35% by 2030 |
| Millbrae | 15% by 2020, 80% by 2050 |
| Morgan Hill | 15% by 2020 |
| Mountain View | 5% by 2012, 10% by 2015, 15-20% by 2020, 80% by 2050 |
| Palo Alto | 15% by 2020 |
| Portola Valley | 15% by 2020 |
| Redwood City | 15% by 2020 |
| Richmond | 15% by 2020 |
| San Carlos | 15% by 2020, 35% by 2030 |
| San Francisco | 20% by 2020 |
| San Jose | 35% below 1990 by 2030 |
| San Leandro | 25% by 2020 |
| San Mateo | 15% by 2020 |
| San Rafael | 15% by 2020 |
| Santa Cruz | 30% by 2020, 80% by 2050 |
| Union City | 30% by 2020 |
| California Counties | County-Wide below 2005 levels unless otherwise stated |
| Marin | 15% by 2020 |
| San Mateo | Flat emissions by 2010, 80% by 2050 |
| Santa Clara | 80% by 2050, 10% reduction every 5 years |
| Sonoma | 20% by 2012 |

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COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: June 4, 2013
Staff Report #: 13-090

Agenda Item #: F2

REGULAR BUSINESS: Consider and Introduce an Ordinance to Amend Chapter 16.79 (Secondary Dwelling Units) of Title 16 (Zoning) of the Menlo Park Municipal Code

RECOMMENDATION

Staff recommends that the City Council complete its deliberations on modifications to the Secondary Dwelling Unit Ordinance and introduce an ordinance to amend Chapter 16.79 Secondary Dwelling Units of the Menlo Park Municipal Code.

BACKGROUND

On May 21, 2013, the City Council conducted a public hearing to consider and take action on the Housing Element and its associated components. After receiving public comments and deliberating on the items, the Council voted 4-0 (with Council Member Cline absent) to approve a series of resolutions related to the Environmental Assessment, adoption of the Housing Element and updates to the Open Space and Conservation, Noise and Safety Elements, minor text modifications to the Land Use and Circulation Element, and land use amendments to High Density Residential on four identified housing opportunity sites. These resolutions became effective immediately.

In addition, the City Council introduced a series of ordinances that require a second reading for adoption. The ordinances include the establishment of the new R-4-S zoning district, creation of an Affordable Housing Overlay zone, codification of the State Density Bonus Law, modifications to the R-3 zoning district, the rezoning of four housing opportunity sites to R-4-S, and the elimination of zoning districts for which no properties are zoned. The second reading for these ordinances are scheduled as a consent calendar item on the June 4 City Council agenda.

At its May 21 meeting, the Council also received comments on and discussed modifications to the Secondary Dwelling Unit ordinance. The Council then continued its deliberation on this item to its June 4 meeting. Additional information for the Council's consideration is included in the Analysis section below. At its June 4 meeting, the Council should complete its discussion on the item and take action. If the Council introduces the ordinance (Attachment A) or a modified ordinance, the second reading/adoption would occur on June 11.

ANALYSIS

Consistent with Housing Element Program H4.E, the City is proposing to modify the Secondary Dwelling Unit requirements pertaining to single-family residential lots 6,000 square feet or greater in size throughout the City. The intent of the ordinance is two-fold: the first is to bring the ordinance into compliance with State law and the second is to encourage the creation of more second units, which are ancillary to the main dwelling.

Secondary dwelling units can be a valuable source of affordable units because they often house family members at low or no cost, and many of the units are limited in size and therefore, have lower rents. State law requires only ministerial action for secondary dwelling units, but a local jurisdiction can establish the criteria in which secondary dwelling units are approved. Adherence to certain standards, such as size, setbacks, and height are still required for approval, but when the criteria are met, there is no discretion in the approval.

The proposed amendments to the Secondary Dwelling Unit ordinance include the following: 1) decrease the minimum lot size to 6,000 square feet; 2) allow a unit size up to 640 square feet and limit the number of bathrooms to one; 3) increase the overall height to 17 feet; 4) allow parking within the front and side setbacks under certain criteria; and 5) reduce the minimum rear and interior side yards to five feet without requiring neighbor approval. The proposed amendment would also allow modifications to some of the development regulations through approval of a use permit. Attachment B compares the development regulations of the existing ordinance and the proposed ordinance as recommended by the Planning Commission.

As noted in the May 21 staff report, staff is also suggesting the addition of the following language to clarify the specific standards that cannot be modified through a use permit, and believes the language is consistent with the Planning Commission's discussion and recommendation on the item.

16.79.030 Conditional use. A secondary dwelling unit that is either attached or detached and requesting modification to the development regulations, except for items (1) density, (2) subdivision, and (10) tenancy, as established in Chapter 16.79.040.

A number of the development regulations were raised at the City Council meeting on May 21. Staff has highlighted the pertinent issues and identified options to help guide the Council's deliberations. Attachment C summarizes the issues as well as provides potential language modifications to the ordinance. Potential amendments to the draft ordinance are shown in ~~strikeout~~ (delete) and underline (new) format. The five issues for the Council's consideration are as follows:

1. Should the rear and side minimum yards be reduced?

2. Should the unit size be allowed to increase if ADA improvements are provided?
3. Should the maximum number of bedrooms permitted increase from one to two?
4. Should wall height increase to provide greater flexibility for design and functional use of the unit located in a flood zone?
5. Should the secondary dwelling unit have exterior colors, material, textures and architecture similar to the main dwelling?

In addition, Attachment D includes a summary table comparing the relevant development regulations for each of the single-family zoning districts, detached secondary dwelling units, and accessory structures. For reference, a map of all single-family zoned lots in excess of 6,000 square feet is included as Attachment E.

Following the Council's deliberation on the topics related to secondary dwelling units, a motion should be made to introduce an ordinance. Attachment A provides staff's and the Planning Commission's recommendation to the City Council. Should the Council wish to modify the ordinance based upon its deliberations on topics, the Council may wish to consider draft language proposed in Attachment C.

IMPACT ON CITY RESOURCES

There is no direct impact on City resources associated with adoption of these ordinances. The overall project's impact on City resources was discussed in the May 21, 2013 staff report.

POLICY ISSUES

The recommended action is consistent with the City Council's actions and approvals at its meeting of May 21, 2013 and would serve to implement programs of the adopted Housing Element.

ENVIRONMENTAL REVIEW

On May 21, 2013, the City Council considered and adopted the Environmental Assessment prepared for the Housing Element and its related components, and adopted findings approving a Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting. In addition to the agenda posting, an email update was sent to subscribers of the project page for the proposal, which is available

at the following address: <http://www.menlopark.org/athome>. The project page allows interested parties to subscribe to email updates, and provides up-to-date information about the project, as well as links to previous staff reports and other related documents.

ATTACHMENTS

- A. Draft Ordinance of the City of Menlo Park, Amending Chapter 16.79, Secondary Dwelling Units of the Menlo Park Municipal Code
- B. Comparison of Existing and Proposed Ordinance Requirements
- C. Secondary Dwelling Unit Summary Sheet - Potential Options and Modifications to the Draft Ordinance
- D. Single-Family Zoning Summary Sheet
- E. Map of Single-Family Lots 6,000 Square Feet or Greater

Report prepared by:
Deanna Chow
Senior Planner

Justin Murphy
Development Services Manager

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK, AMENDING CHAPTER 16.79 [SECONDARY DWELLING UNITS] OF TITLE 16 [ZONING] OF THE MENLO PARK MUNICIPAL CODE

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

SECTION 1. The City Council of the City of Menlo Park hereby finds and declares as follows:

- A. The City desires to amend Chapter 16.79 [Secondary Dwelling Unit] to provide the ability to create additional housing throughout the City to accommodate varying housing needs.
- B. The Planning Commission held duly noticed public hearings on April 22, 2013 and April 29, 2013 to review and consider the proposed amendments to Chapters 16.79 of Title 16 of the Menlo Park Municipal Code, whereat all interested persons had the opportunity to appear and comment.
- C. The City Council held duly noticed public hearings on May 21, 2013 to review and consider the proposed amendments to Chapters 16.79 of Title 16 of the Menlo Park Municipal Code, whereat all interested persons had the opportunity to appear and comment.
- D. After due consideration of the proposed amendment to Title 16, public comments, the Planning Commission recommendation, and the staff report, the City Council finds that the proposed amendment to Title 16 support the Housing Element and are appropriate.

SECTION 2. Chapter 16.79 [Secondary Dwelling Units] of Title 16 [Zoning] of the Menlo Park Municipal Code is hereby amended to read as follows:

Chapter 16.79

SECONDARY DWELLING UNITS

Sections:

- 16.79.010 Purpose**
- 16.79.020 Permitted use**
- 16.79.030 Conditional use**
- 16.79.040 Development regulations**
- 16.79.050 Mitigation monitoring**

16.79.010 Purpose.

The purpose of this chapter is to set forth criteria and regulations to control the development of secondary dwelling units within the single-family residential zoning districts.

16.79.020 Permitted use.

A secondary dwelling unit developed within the main dwelling or structurally attached to the main dwelling as defined in Section 16.04.145 Buildings, structurally attached, or a secondary dwelling unit detached from the main dwelling, are permitted in a single-family residential zoning district, subject to the provisions set forth in Section 16.79.040.

16.79.030 Conditional use.

A secondary dwelling unit that is either attached or detached and requesting modification to the development regulations, except for items (1) density, (2) subdivision, and (10) tenancy, as established in Chapter 16.79.040.

16.79.040 Development regulations.

Development regulations for a secondary dwelling unit are as follows:

- (1) Minimum lot area: 6,000 square feet;
- (2) Density: No more than one (1) secondary dwelling unit may be allowed on any one (1) lot;
- (3) Subdivision: A lot having a secondary dwelling unit may not be subdivided in a manner that would allow for the main dwelling and secondary dwelling unit to be located on separate lots or that would result in a lot of less than 7,000 square feet of area or less width and/or depth than required by the single-family zoning district in which the lot is located;
- (4) Minimum yards:
 - (a) Structurally attached secondary dwelling units: Secondary dwelling units developed within the main dwelling or structurally attached to the main dwelling as defined in Section 16.04.145 Buildings, structurally attached, shall comply with all minimum yard requirements for the main dwelling established by the single-family zoning district in which the lot is located;
 - (b) Detached secondary dwelling units: Detached secondary dwelling units shall comply with all minimum yard requirements for the main dwelling established by the single-family zoning district in which the lot is located, with the exception that the minimum rear yard and interior side yard is five (5) feet.
- (5) Unit size:
 - (a) The habitable square footage of all levels of the secondary dwelling unit shall not exceed 640 square feet;
 - (b) Secondary dwelling units shall be limited to studio or one-bedroom units and one bathroom.

- (6) Height: The maximum wall height of a detached secondary dwelling unit is nine (9) feet and the maximum total height is 17 feet;
- (7) Parking: One (1) covered or uncovered off-street parking space that may be provided in the following configurations and areas in addition to the areas allowed for the main dwelling:
 - (a) In tandem, meaning one car located directly behind another car;
 - (b) Within required interior side yards;
 - (c) Within required front yards if no more than 500 square feet of the required front yard is paved for motor vehicle use and a minimum setback of 18 inches from the side property lines is maintained.
- (8) Consistency: All secondary dwelling units shall comply with all applicable development regulations for the single-family zoning district in which the lot is located and building code requirements set forth in Title 12 Building and Construction of the Municipal Code unless otherwise provided for in this section;
- (9) Aesthetics: The secondary dwelling unit shall have colors, materials, textures and architecture similar to the main dwelling;
- (10) Tenancy: Either the main dwelling or the secondary dwelling unit shall be occupied by the property owner.

16.79.050 Mitigation Monitoring.

All second unit development shall comply, at a minimum, with the Mitigation Monitoring and Report Program (MMRP) established through Resolution No. 6149 associated with the Housing Element Update, General Plan Consistency Update, and Zoning Ordinance Amendments Environmental Assessment prepared for the Housing Element adopted on May 21, 2013.

SECTION 3. This ordinance is not subject to the California Environmental Quality Act ("CEQA"). Pursuant to the court ordered Judgment Pursuant to Stipulation ("Judgment") in Peninsula Interfaith Action, et al. v. City of Menlo Park, Case No CIV513882, the City is required to bring its Housing Element and related elements of the General Plan into compliance with state law and the terms of the Settlement Agreement that was incorporated into the Judgment. The Judgment incorporates Government Code Section 65759, which provides that CEQA does not apply to any action necessary to bring the General Plan or relevant mandatory elements into compliance with any court order. This ordinance is required to bring the General Plan or relevant mandatory elements into compliance with State law and the court ordered Judgment. It is, therefore, not subject to CEQA.

If this ordinance were subject to CEQA, this ordinance is not a project pursuant to Public Resources Code Section 21080(a) and CEQA Guidelines Section 15002(i), which indicate that CEQA applies to discretionary projects carried out or approved by public agencies. This ordinance is ministerial in that the Housing Element indicates that the City "will" take the actions identified in this ordinance within 60 days of adoption of

the Housing Element. When an initial approval (in this case the Housing Element) is sufficiently specific that any follow-up approval is limited to a determination of compliance with conditions or provisions set forth in the initial approval, then the follow-up approval is ministerial. *Health First v. March Joint Powers Auth.* (2009) 174 Cal.App.4th 1135. Finally, the rezoning for “by-right” development at higher densities is required pursuant to state law. Government Code Sections 65583 and 65583.2. For all of the foregoing reasons, there is no judgment or deliberation on the part of the decision makers and decision makers have no power to shape or change the actions identified in this ordinance in response to environmental review. As a ministerial action, this ordinance is not a project subject to CEQA.

Even if this ordinance were determined to be a discretionary project subject to CEQA, the “common sense exemption” which indicates CEQA applies only to projects that have the potential for causing a significant effect on the environment applies to exempt this ordinance from needless environmental review. CEQA Guidelines 15601(b)(3); *Muzzy Ranch Co. v. Solano County Airport Land Use Commission* (2007) 41 Cal. 4th 372. The environmental impacts of this ordinance were reviewed in the Environmental Assessment, which is the equivalent of a Draft Environmental Impact Report, conducted for the Housing Element and related General Plan elements which was adopted by the City Council on May 21, 2013. It can be seen with certainty that there is no possibility that the action identified in the ordinance will have a significant effect on the environment beyond what was analyzed in the Environmental Assessment. Therefore, this ordinance is exempt from CEQA.

SECTION 4. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 5. 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 on the fourth day of June, 2013.

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PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of the City Council of the City of Menlo Park on the ____ day of ____, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Pamela Aguilar
Acting City Clerk

Peter Ohtaki
Mayor

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| Secondary Dwelling Units | | | |
|---|-----------------|---|---|
| | | Existing Ordinance | Proposed Ordinance |
| Unit Type | | Attached to main dwelling unit or detached | Unchanged |
| Minimum Lot Size | | 7,000 sf | 6,000 sf |
| Density | | No more than 1 secondary dwelling unit per lot | Unchanged |
| Minimum Yards | Attached | Comply with minimum yard requirements for zoning district | Unchanged |
| | Detached | Comply with minimum yard requirements for zoning district, except minimum rear yard requirement is 10 feet | Reduce the interior side and rear yard setback to 5 feet |
| Unit Size | | 5% of lot area or 640 sf, whichever is less | Maximum of 640 sf |
| Number of Bedrooms and Bathrooms | | 1 (maximum) | 1 bedroom (maximum) - unchanged 1 bathroom (maximum) |
| Height | Attached | 28 feet | unchanged |
| | Detached | 9 ft. (maximum wall height) 14 ft. (maximum overall height) | 9 ft. (maximum wall height) - unchanged 17 ft. (maximum overall height) |
| Parking | | 1 (covered or uncovered); meets the minimum yard requirements of the zoning district; tandem ok; use permit required if located within required yards | 1 (covered or uncovered); permitted within required interior side yard and within the front yard if no more than 500 sf of the front yard is paved for motor vehicles and a minimum side setback of 18 inches is maintained |
| Approval Process | | Comply with all applicable development regulations for the single-family zoning district and building code requirements | Unchanged |
| Aesthetics | | Unit shall have the colors, materials and textures and architecture similar to main dwelling unit | Unchanged |
| Tenancy | | Property owner shall occupy either the main or secondary dwelling unit | Unchanged |

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| SECONDARY DWELLING UNITS | | |
|---------------------------------|--|--|
| Zoning Ordinance Section | Topic/Question | Potential Options and Modifications to the Ordinance |
| 16.79.040 (4b) | <p>Minimum Yards for Detached Units</p> <p>Should the rear and side minimum yards be reduced?</p> | <p>1) <u>Existing Proposal</u>: Maintain proposal of minimum five (5) foot interior and rear yards for detached secondary dwelling units. The following is the proposed language in Attachment A:</p> <p><i>Detached secondary dwelling units: Detached secondary dwelling units shall comply with all minimum yard requirements for the main dwelling established by the single-family zoning district in which the lot is located, with the exception that the minimum rear yard is 10 feet and interior side yard is five (5) feet.</i></p> <p>For reference, the following are the existing side yard requirements.</p> <p style="padding-left: 40px;">R-E: min. 10' on one side; 30' total R-E-S: min. 10' on one side; 25' total R-1-S & R-1-s (FG): min. 10' R-1-U: 10% of min. lot width up to 10'; min. 5' R-1-U (LM): min. 5', 3' with neighbor approval</p> <p>2) <u>Neighbor Approval Option</u>: Provide flexibility to reduce the side and rear yards to five (5) feet, subject to written approval of the owner(s) of the contiguous property abutting the portion of the encroaching structure. If the Council believes that neighbor approval for a reduction in the interior side yard is appropriate, it may wish to consider the following modified language:</p> <p><i>Detached secondary dwelling units: Detached secondary dwelling units shall comply with all minimum yard requirements for the main dwelling established by the single-family zoning district in which the lot is located, with the exception that the minimum rear yard is 10 feet. <u>Furthermore, the side and rear yards may be reduced to five (5) feet, subject to written approval of the owner(s) of the contiguous property abutting the portion of the encroaching structure.</u></i></p> <p>3) <u>Reduced Minimum Yards in R-1-U Option</u>: Provide flexibility to reduce the interior side and rear yards to 5 feet in the R-1-U zoning district only. If the Council believes a 5-foot minimum interior side and rear yards in the R-1-U zoning district is appropriate (while maintaining the existing interior side yard requirement and rear yard of 10 feet in all other single-family zoning districts), it may wish to consider the following modified language:</p> <p><i>Detached secondary dwelling units: Detached secondary dwelling units shall comply with all minimum yard requirements for the main dwelling established by the single-family zoning district in which the lot is located, with the exception that the minimum rear yard is 10 feet. <u>interior side yard and rear yard is five (5) feet in the R-1-U zoning district and the rear yard is 10 feet for all other single-family zoning districts.</u></i></p> <p>4) <u>Existing Regulation Plus Use Permit</u>: Maintain existing requirement of minimum yard for the main dwelling unit, except that a rear yard for a detached unit can be reduced to 10 feet, but allow reductions through approval of a use permit. The following is the language in the existing Secondary Dwelling Unit ordinance:</p> |

SECONDARY DWELLING UNITS

| Zoning Ordinance Section | Topic/Question | Potential Options and Modifications to the Ordinance |
|---------------------------------|--|--|
| | | <p><i>Detached secondary dwelling units: Detached secondary dwelling units shall comply with all minimum yard requirements for the main dwelling established by the single-family zoning district in which the lot is located, with the exception that the minimum rear yard is 10 feet.</i></p> |
| <p>16.79.040 (5a)</p> | <p>Unit Size</p> <p>Should the unit size be allowed to increase if ADA improvements are provided?</p> | <p>1) <u>Existing Proposal</u>: Maintain proposal of 640 square feet as maximum unit size. The maximum unit size could be increased through approval of a use permit. The following is the proposed language in Attachment A:</p> <p><i>The habitable square footage of all levels of the secondary dwelling unit shall not exceed five percent of the lot area or 640 square feet, whichever is less.</i></p> <p>1) <u>ADA Allowance in 2nd Unit Regulations</u>: Consider an increase of up to 100 square feet (740 square feet total) if a unit is designed and built to meet ADA standards, including the dwelling unit itself, path of travel to and from the unit and parking to accommodate the unit. If the Council believes that additional square footage is necessary to accommodate improvements to meet accessibility requirements, the Council may wish to consider the following modified language:</p> <p><i>The habitable square footage of all levels of the secondary dwelling unit shall not exceed five percent of the lot area or 640 square feet, except when a unit is designed and constructed to meet all disabled access requirements of the California Building Code. When a unit is fully disabled access-compliant, the unit size may be increased by up to 100 square feet for a maximum size of 740 square feet. whichever is less.</i></p> <p>2) <u>ADA Allowance through Reasonable Accommodation</u>: Allow an increase in unit size during the creation of a Reasonable Accommodation Ordinance to implement Housing Element program H3.C.</p> <p>3) <u>Increase in Unit Size</u>: Consider an increase of up to 100 square feet (740 square feet total) for greater flexibility in interior design and occupancy. If the Council believes that additional square footage is appropriate for all secondary dwelling units, the Council may wish to consider the following modified language:</p> <p><i>The habitable square footage of all levels of the secondary dwelling unit shall not exceed five percent of the lot area or 640 740 square feet.</i></p> |
| <p>16.79.040 (5b)</p> | <p>No. of Bedrooms</p> <p>Should the maximum number of bedrooms permitted increase from one to two?</p> | <p>1) <u>Existing Proposal</u>: Maintain existing language with a one bedroom maximum and proposed one bathroom maximum. The number of bedrooms and bathrooms could be increased through approval of a use permit. The following is the proposed language in Attachment A:</p> <p><i>Secondary dwelling units shall be limited to studio or one-bedroom units <u>and one (1) bathroom</u></i></p> <p>2) <u>Maximum Two Bedrooms</u>: Consider modifications to the language to allow for up to two bedrooms and one bathroom to provide greater flexibility on use of the space. Should the Council wish to increase the</p> |

| SECONDARY DWELLING UNITS | | |
|---------------------------------|--|--|
| Zoning Ordinance Section | Topic/Question | Potential Options and Modifications to the Ordinance |
| | | <p>maximum number of bedrooms, it may wish to consider the following modified language:</p> <p><i>Secondary dwelling units shall be limited to studio or one-bedroom units a maximum of two (2) bedrooms and one (1) bathroom</i></p> |
| 16.79.040 (6) | <p>Height for Detached Units</p> <p>Should wall height increase to provide greater flexibility for design and functional use of the unit located in a flood zone?</p> | <p>1) <u>Existing Proposal</u>: Maintain proposed requirement of 9-foot wall height and overall height of 17 feet. The maximum wall height could be increased through approval of a use permit. The following is the proposed language in Attachment A:</p> <p><i>The maximum wall height of a detached secondary dwelling unit is nine (9) feet and the maximum total height is 44 <u>17</u> feet</i></p> <p>2) <u>Floodplain Allowance</u>: Consider modifications to allow an increase in wall height while maintaining the overall maximum height of 17 feet. If the Council believes an increased wall height is necessary where secondary units are located in a flood zone, it may wish to consider the following modified language:</p> <p><i>The maximum wall height of a detached secondary dwelling unit is nine (9) feet and the maximum total height is 44 <u>17</u> feet, <u>unless the secondary dwelling unit is located in a flood zone. When a secondary dwelling unit is located in a flood zone, the maximum wall height can be increased proportionally to the minimum amount needed to meet the flood zone requirements for habitable structures as determined by the Building Official. The total height of the structure shall be maintained at 17 feet.</u></i></p> |
| 16.79.040 (9) | <p>Aesthetics</p> <p>Should the secondary dwelling unit have exterior colors, material, textures and architecture similar to the main dwelling?</p> | <p>1) <u>Existing Regulation</u>: Maintain the proposed requirement where the unit shall have colors, materials, textures and architecture similar to the main dwelling. The following is the existing language in the Secondary Dwelling Unit ordinance:</p> <p><i>The secondary dwelling unit shall have colors, materials, textures and architecture similar to the main dwelling</i></p> <p>2) <u>Design Flexibility</u>: Consider removing or modifying the language to allow for greater flexibility in design. If the Council believes that the design should not be prescribed, the Council may wish to consider deleting the Aesthetics section in its entirety. If the Council wishes to provide more flexibility in the design and appearance of secondary dwelling units, the Council may wish to consider the following modified language:</p> <p><i>The secondary dwelling unit shall have colors, materials, textures and architecture similar that are <u>complementary to the main dwelling</u></i></p> |

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Single-Family Zoning District Summary

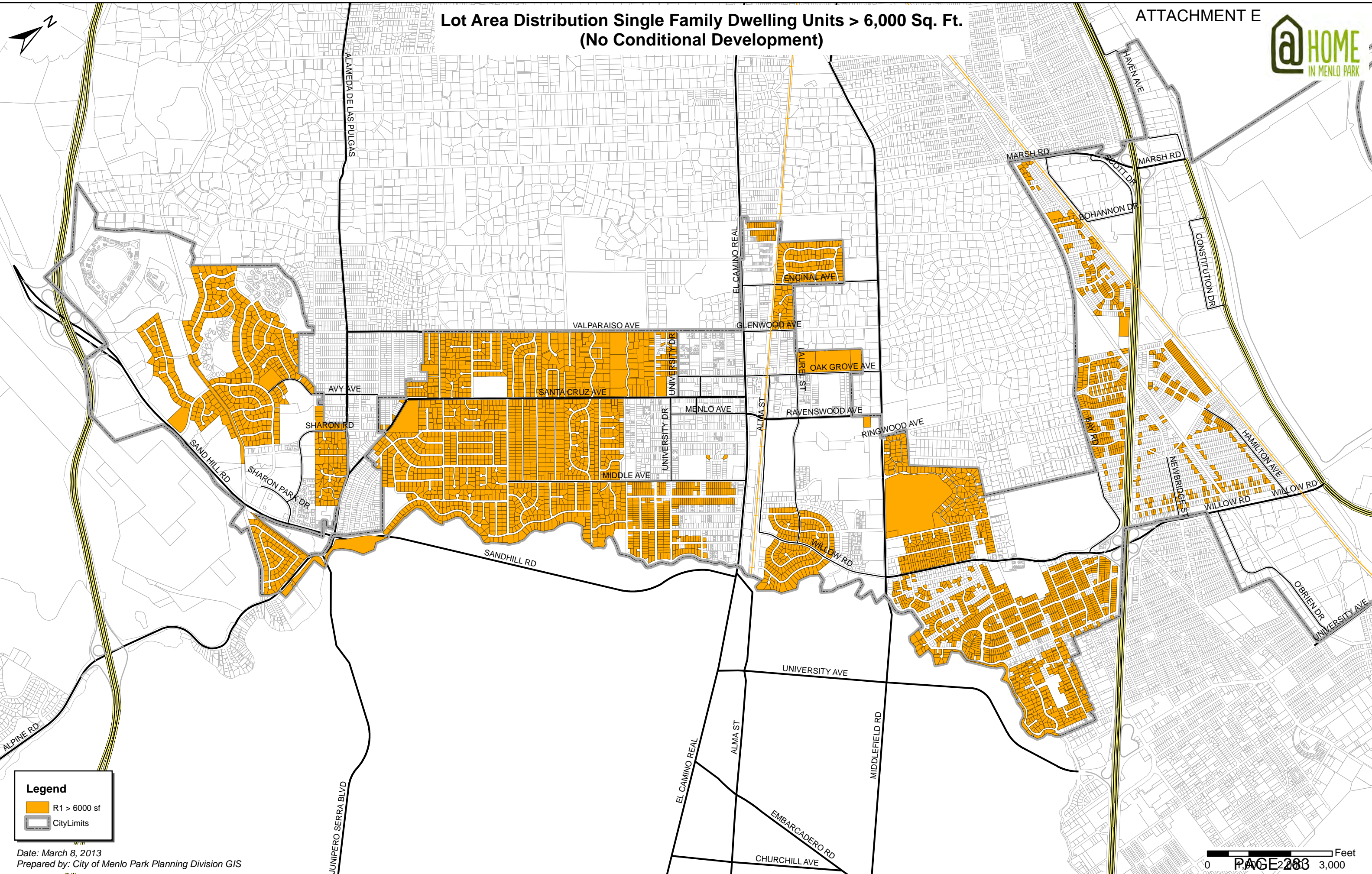
ATTACHMENT D

| | R-E | R-E-S | R-1-S & R-1-S (FG) | R-1-U | R-1-U (LM) | |
|---|------------------------|--|---------------------------------------|----------------|---|---|
| Minimum Lot Area | 20,000 sf | 15,000 sf | 10,000 sf | 7,000 sf | 4,900 sf (before 6/1/06) 7,000 sf (after 6/1/06) | |
| Minimum Lot Width/Depth | 110 ft./130 ft. | 100 ft./100 ft. | 80 ft./100 ft. | 65 ft./100 ft. | 40 ft./75 ft. | |
| Main Dwelling Unit | | | | | | |
| Minimum Yard | Front | 20 ft. | | | | |
| | Rear | 20 ft. | | | | |
| | Side, Interior | 30 ft. total; minimum 10 ft. on one side | 25 ft. total; min. 10 ft. on one side | 10 ft | 10% lot width; min. 5 ft., max. 10 ft. | 5 ft.; 3 ft. with neighbor approval or use permit |
| | Side, Corner | min. 15 | | 12 ft | | |
| Height | | Lots >20,000 sf – 30 ft. Lots < 20,000 sf – 28 f | | | One-story – 20 ft. Two-stories – 28 ft. | |
| Detached Secondary Dwelling Units (Existing Ordinance) | | | | | | |
| Minimum Yard | Front | 20 ft. | | | | |
| | Rear* | 10 ft. | | | | |
| | Side, Interior* | 30 ft. total; minimum 10 ft. on one side | 25 ft. total; min. 10 ft. on one side | 10 ft. | 10% lot width; min. 5 ft., max. 10 ft. | 5 ft.; 3 ft. with neighbor approval or use permit |
| | Side, Corner | min. 15 ft. | | 12 ft. | | |
| Height* | | 9 ft. wall height; 14 ft. total height | | | | |
| Detached Accessory Structures | | | | | | |
| Minimum Yard | Front | Varies (must be on rear half of lot) | | | | |
| | Rear | 3 ft. (5 ft. from an alley) | | | | |
| | Side, Interior | 3 ft. (5 ft. from an alley) | | | | |
| | Side, Corner | Varies; cannot project beyond setback required on adjacent lot | | | | |
| Height | | 9 ft. wall height; 14 ft. total height | | | | |

*Denotes potential modification under consideration in the Zoning Ordinance amendment.

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Lot Area Distribution Single Family Dwelling Units > 6,000 Sq. Ft. (No Conditional Development)



Legend

- R1 > 6000 sf
- CityLimits

Date: March 8, 2013
Prepared by: City of Menlo Park Planning Division GIS

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OFFICE OF THE CITY MANAGER

Council Meeting Date: June 4, 2013
Staff Report #: 13-091

Agenda Item #: F-3

REGULAR BUSINESS: **Authorize the City Manager to Execute a Three-Year Renewable Lease Agreement with the Tougas Family Q-Tip Trust for the Property Located at 871A and 871 B Hamilton Avenue in Menlo Park**

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to execute a three-year renewable lease agreement with the Tougas Family Q-tip Trust for 871A and 871B Hamilton Avenue in Menlo Park.

BACKGROUND

Since the 1980's, and in response to growing violent criminal activity on the east end of the City, the Council authorized the siting of a new police sub-station at a leased site on the corner of Newbridge Street and Willow Road. Over the years, the Police Department has used the sub-station for various law enforcement purposes.

Over time, the facility has become less of a law enforcement resource and even less as a community resource. Several years ago, through the now defunct Community Redevelopment Agency, the City initiated a partnership to develop a new Community Service facility at the corner of Ivy Drive and Willow Road. Through fits and starts, that project remains non-viable in the near future for various legal reasons which are now further complicated through the dissolution of the City's redevelopment agency.

This year, through the City Council goal setting process and in conjunction with the Belle Haven Visioning process, the proposed relocation of the existing Police Sub-Station was prioritized. Various locations were targeted with the most viable being 871A & 871B Hamilton Avenue (at Willow Road). Staff identified an 1846 square foot vacant store front in the retail complex at that intersection. It has high visibility and ample parking. Planning staff has indicated that use as a proposed police community facility is consistent with the zoning and land use approvals for the property.

Staff began discussions with the property owners who willingly welcomed a police facility in the space. Coincidentally, Facebook approached the City expressing a willingness to

advance the Council's stated goals for a more attractive community police facility in the neighborhood. Facebook wanted to contribute financially towards that outcome.

Staff met with Facebook officials who generously agreed to supplement the cost difference between the City's current lease for the existing Newbridge site (totaling \$950/month) for the proposed lease amount of the Hamilton site (totaling \$3,700/month). The difference is \$2,750/month. Facebook would also provide, direct and install all of the tenant improvements to make the site more neighborhood-friendly and attractive. The attached correspondence (Attachment A) from Facebook provides the assurance of Facebook's financial intent. Details of the build out will be determined by proposed uses for the facility which are being explored. At a minimum, the facility will provide an enhanced level of law enforcement use presently found at the Newbridge sub-station.

IMPACT ON CITY RESOURCES

At no net cost increase for the lease cost over the existing sub-station, this proposal improves the quality, accessibility and usefulness over the present police sub-station in the Belle Haven neighborhood. There may be nominal costs related to utilities, facility maintenance, and other minor operational costs.

As proposed:

| | |
|----------------------------------|---------------|
| Total Annual Lease Cost | \$44,400 |
| Total Annual Facebook Supplement | <u>33,000</u> |
| Net City Cost | \$11,400 |

However, additional major costs burdens to the City to operate the Hamilton facility have yet to be determined as those too will be determined by Council direction on proposed additional uses of the site. At any rate, staff will carefully consider ongoing costs as it relates to any additional services to be provided at the facility including shifting existing staff, seeking community volunteers, etc.

The City Manager's Proposed Fiscal Year 2013-14 Budget is a separate agenda item before the City Council. Importantly, as proposed, it does not reflect any additional costs related to this action. Once the Council has determined the scope of services that the City will provide from the facility, then the budget can be amended to reflect those cost increases.

POLICY ISSUES

The City Council has asked that improvements to, or relocation of the Police Substation in Belle Haven be a priority for the year. It is consistent with the Council's broader desire to increase public safety throughout the community.

ENVIRONMENTAL REVIEW

The proposed action does not require environmental review.

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. Facebook Correspondence – (to be provided prior to City Council meeting)
- B. Proposed Lease Agreement

Report prepared by:
Alex D. McIntyre
City Manager

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**AIR COMMERCIAL REAL ESTATE ASSOCIATION
STANDARD INDUSTRIAL/COMMERCIAL
MULTI-TENANT LEASE - GROSS**

1. Basic Provisions ("Basic Provisions").

1.1 Parties: This Lease ("Lease"), dated for reference purposes only 5/30/2013,

is made by and between Tougas Family Q-tip-trust, Trust "C" / TF El Camino LLC

("Lessor")

and City Of Menlo Park, California

("Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) Premises: That certain portion of the Project (as defined below), including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of 871A & 871B Hamilton Ave., located in the City of Menlo Park, County of San Mateo, State of California, with zip code 94025, as outlined on Exhibit _____ attached hereto ("Premises") and generally described as (describe briefly the nature of the Premises): 2 office units measuring approx. 1,846 Sq ft. known as 871A & 871B. These 2 units are approx. 14% of the total square footage of the retail complex.

In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of the building containing the Premises ("Building") and to the Common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the roof, or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." (See also Paragraph 2)

1.2(b) Parking: 2 unreserved vehicle parking spaces. (See also Paragraph 2.6)

1.3 Term: 3 years and 0 months ("Original Term") commencing June 15th, 2013

("Commencement Date") and ending June 14th 2016 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: If the Premises are available Lessee may have non-exclusive possession of the Premises commencing Upon Mutual Execution ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$ 3,700.00 per month ("Base Rent"), payable on the 1st day of each month commencing August 1st, 2013. (See also Paragraph 4)

If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph

1.6 Lessee's Share of Common Area Operating Expenses: 0 percent (0%) ("Lessee's Share").

In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

(a) Base Rent: \$ 3,700.00 for the period July 1st. - July 31st 2013

(b) Common Area Operating Expenses: \$ 0.00 for the period N/A

(c) Security Deposit: \$ 3700 (last Mths) ("Security Deposit"). (See also Paragraph 5)

(d) Other: \$ 1,973.33 for June 15th 2013 - June 30th, 2013 (Pro - Rata)

(e) Total Due Upon Execution of this Lease: \$ 9,373.33

1.8 Agreed Use: City Of Menlo Park Belle Haven Police Substation & related office

(See also Paragraph 6)

1.9 Insuring Party. Lessor is the "Insuring Party". (See also Paragraph 8)

1.10 Real Estate Brokers: (See also Paragraph 15)

(a) Representation: The following real estate brokers (the "Brokers") and brokerage relationships exist in this transaction (check applicable boxes):

Sequoia Realty Services represents Lessor exclusively ("Lessor's Broker");

Sequoia Realty Services represents Lessee exclusively ("Lessee's Broker"); or

_____ represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers for the brokerage services rendered by the Brokers the fee agreed to in the attached separate written agreement or if no such agreement is attached, the sum of _____ or 4.5 % of the total Base Rent payable for the Original Term, the sum of n/a or n/a of the total Base Rent payable during any period of time that the Lessee occupies the Premises subsequent to the Original Term, and/or the sum of n/a or n/a % of the purchase price in the event that the Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises.

1.11 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by City Of Menlo Park, California ("Guarantor"). (See also Paragraph 37)

1.12 Attachments. Attached hereto are the following, all of which constitute a part of this Lease:

an Addendum consisting of Paragraphs _____ through _____;

a site plan depicting the Premises;

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- a site plan depicting the Project;
- a current set of the Rules and Regulations for the Project;
- a current set of the Rules and Regulations adopted by the owners' association;
- a Work Letter;

other (specify): Lessee to return both units 871A & 871B to their current condition upon vacating the premises. Lessee to do it's best effort to reserve/change 2 parking spaces on Hamilton ave. closest to unit 871A to "red" spaces for "Police use only"

2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver that portion of the Premises contained within the Building ("Unit") to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls - see Paragraph 7).

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes that were in effect at the time that each such improvement, or portion thereof, was constructed, and also with all applicable laws, covenants or restrictions of record, regulations, and ordinances in effect on the Start Date ("Applicable Requirements"). Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

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2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 **Vehicle Parking.** Lessee shall be entitled to use the number of Parking Spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called "Permitted Size Vehicles." Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

- (a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.
- (b) Lessee shall not service or store any vehicles in the Common Areas.
- (c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas - Definition.** The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

- (a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;
- (b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;
- (c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;
- (d) To add additional buildings and improvements to the Common Areas;
- (e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and
- (f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

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4.2 ~~Common Area Operating Expenses". Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:~~

- ~~(a) The following costs relating to the ownership and operation of the Project are defined as "Common Area Operating Expenses":~~
- ~~(i) Costs relating to the operation, repair and maintenance, in neat, clean, good order and condition, but not the replacement (see subparagraph (e)), of the following:~~
 - ~~(aa) The Common Areas and Common Area improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, exterior walls of the buildings, building systems and roof drainage systems.~~
 - ~~(bb) Exterior signs and any tenant directories.~~
 - ~~(cc) Any fire sprinkler systems.~~
 - ~~(dd) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.~~
- ~~(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.~~
- ~~(iii) The cost of trash disposal, pest control services, property management, security services, owner's association dues and fees, the cost to repaint the exterior of any structures and the cost of any environmental inspections.~~
- ~~(iv) Reserves set aside for maintenance and repair of Common Areas and Common Area equipment.~~
- ~~(v) Any increase above the Base Real Property Taxes (as defined in Paragraph 10).~~
- ~~(vi) Any "Insurance Cost Increase" (as defined in Paragraph 8).~~
- ~~(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.~~
- ~~(viii) Auditors', accountants' and attorneys' fees and costs related to the operation, maintenance, repair and replacement of the Project.~~
- ~~(ix) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month.~~
- ~~(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.~~

~~(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.~~

~~(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.~~

~~(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.~~

~~(e) Common Area Operating Expenses shall not include the cost of replacing equipment or capital components such as the roof, foundations, exterior walls or Common Area capital improvements, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.~~

~~(f) Common Area Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.~~

4.3 ~~Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any statement or invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other person or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.~~

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

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6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Building or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Project. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee taking possession, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to such

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Requirements, without regard to whether said Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of written request therefor.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

~~(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (i.e. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.~~

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or

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for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) even if such removal would require Lessee to perform or pay for work that exceeds statutory requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 Payment of Premium Increases.

~~(a) As used herein, the term "Insurance Cost Increase" is defined as any increase in the actual cost of the insurance applicable to the Building and/or the Project and required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), ("Required Insurance"), over and above the Base Premium, as hereinafter defined, calculated on an annual basis. Insurance Cost Increase shall include, but not be limited to, requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. The term Insurance Cost Increase shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. The "Base Premium" shall be the annual premium applicable to the 12 month period immediately preceding the Start Date. If, however, the Project was not insured for the entirety of such 12 month period, then the Base Premium shall be the lowest annual premium reasonably obtainable for the Required Insurance as of the Start Date, assuming the most nominal use possible of the Building. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$2,000,000 procured under Paragraph 8.2(b).~~

~~(b) Lessee shall pay any Insurance Cost Increase to Lessor pursuant to Paragraph 4.2. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.~~

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "Insured Contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

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(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** ~~Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations. Lessee shall provide Lessor with written evidence that such insurance is in force.~~

~~(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.~~

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. ~~Lessee may provide insurance coverage through a Joint powers insurance authority.~~ Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross-negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor and its Agents from Liability. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions.

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total. Notwithstanding the foregoing, Premises Partial Damage shall not include damage to windows, doors, and/or other similar items which Lessee has the responsibility to repair or replace pursuant to the provisions of Paragraph 7.1.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable

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Requirements, and without deduction for depreciation.

(e) "**Hazardous Substance Condition**" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes.**

10.1 **Definitions.**

(a) "**Real Property Taxes.**" As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Project is located. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

(b) "**Base Real Property Taxes.**" As used herein, the term "Base Real Property Taxes" shall be the amount of Real Property Taxes, which are assessed against the Premises, Building, Project or Common Areas in the calendar year during which the Lease is executed. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.2 **Payment of Taxes.** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the

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Project, and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 **Additional Improvements.** Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other tenants or by Lessor for the exclusive enjoyment of such other Tenants. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by

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Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to atton to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 **Default; Breach.** A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material data safety sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of

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this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover damages under Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions", shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due as to scheduled payments (such as Base Rent) or within 30 days following the date on which it was due for non-scheduled payment, shall bear interest from the date when due, as to scheduled payments, or the 31st day after it was due as to non-scheduled payments. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Unit, or more than 25% of the parking spaces is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 Additional Commission. If a separate brokerage fee agreement is attached then in addition to the payments owed pursuant to Paragraph 1.10 above, and unless Lessor and the Brokers otherwise agree in writing, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the schedule attached to such brokerage fee agreement.

15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any

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amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

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25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) **Lessor's Agent.** A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: **To the Lessor:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. **To the Lessee and the Lessor:** a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) **Lessee's Agent.** An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. **To the Lessee:** A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. **To the Lessee and the Lessor:** a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) **Agent Representing Both Lessor and Lessee.** A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

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31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs.** Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. ~~Guarantor.~~

~~37.1 Execution. The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association.~~

~~37.2 Default. It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Ecotopel Certificate, or (d) written confirmation that the guaranty is still in effect.~~

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted an option, as defined below, then the following provisions shall apply.

39.1 **Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. **Reservations.** Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other

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under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease is is not attached to this Lease.

49. Americans with Disabilities Act. Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

- 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.**
- 2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.**

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: _____ Executed: _____
On: _____ On: _____

By LESSOR:

By LESSEE:

By: _____ By: _____
Name Printed: _____ Name Printed: _____
Title: _____ Title: _____

By: _____ By: _____
Name Printed: _____ Name Printed: _____
Title: _____ Title: _____

Address: _____ Address: _____

Telephone:() _____ Telephone:() _____
Facsimile:() _____ Facsimile:() _____

Email: _____ Email: _____
Email: _____ Email: _____

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Federal ID No. _____ Federal ID No. _____

BROKER:

BROKER:

Att: _____ Att: _____

Title: _____ Title: _____

Address: _____ Address: _____

Telephone:(____) _____ Telephone: (____) _____

Facsimile:(____) _____ Facsimile:(____) _____

Email: _____ Email: _____

Federal ID No. _____ Federal ID No. _____

Broker/Agent DRE License #: _____ Broker/Agent DRE License #: _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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OPTION(S) TO EXTEND
STANDARD LEASE ADDENDUM

Dated 5/30/2013

By and Between (Lessor) Tougas Family Q-tip-trust, Trust "C" / TF El Camino LLC

By and Between (Lessee) City Of Menlo Park, California

Address of Premises: 871 Hamilton Ave. units A&B Menlo Park, CA 94025

Paragraph

A. OPTION(S) TO EXTEND:

Lessor hereby grants to Lessee the option to extend the term of this Lease for 1 additional 24 month period(s) commencing when the prior term expires upon each and all of the following terms and conditions:

(i) In order to exercise an option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least 3 but not more than 6 months prior to the date that the option period would commence, time being of the essence. If proper notification of the exercise of an option is not given and/or received, such option shall automatically expire. Options (if there are more than one) may only be exercised consecutively.

(ii) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease, are conditions of this Option.

(iii) Except for the provisions of this Lease granting an option or options to extend the term, all of the terms and conditions of this Lease except where specifically modified by this option shall apply.

(iv) This Option is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and without the intention of thereafter assigning or subletting.

(v) The monthly rent for each month of the option period shall be calculated as follows, using the method(s) indicated below: (Check Method(s) to be Used and Fill in Appropriately)

I. Cost of Living Adjustment(s) (COLA)

a. On (Fill in COLA Dates):

the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): CPI W (Urban Wage Earners and Clerical Workers) or CPI U (All Urban Consumers), for (Fill in Urban Area):

All Items (1982-1984 = 100), herein referred to as "CPI".

b. The monthly rent payable in accordance with paragraph A.i.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.i.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): the first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or (Fill in Other "Base Month"):

The sum so calculated shall constitute the new monthly rent hereunder, but in no event, shall any such new monthly rent be less than the rent payable for the month immediately preceding the rent adjustment.

c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

II. Market Rental Value Adjustment(s) (MRV)

a. On (Fill in MRV Adjustment Date(s))

the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached, within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or

(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in

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writing, to arbitration in accordance with the following provisions:

(i) Within 15 days thereafter, Lessor and Lessee shall each select an appraiser or broker ("Consultant" - check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, ie. the one that is NOT the closest to the actual MRV.

2) Notwithstanding the foregoing, the new MRV shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

- 1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and
- 2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

III. Fixed Rental Adjustment(s) (FRA)

The Base Rent shall be increased to the following amounts on the dates set forth below:

| On (Fill in FRA Adjustment Date(s)): | The New Base Rent shall be: |
|--------------------------------------|-----------------------------|
| June 15th, 2016 | \$4,043.09 |
| June 16th, 2017 | \$4,164.38 |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

B. NOTICE:
Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

C. BROKER'S FEE:
The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease.

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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RENT ADJUSTMENT(S)
STANDARD LEASE ADDENDUM

Dated 5/30/2013

By and Between (Lessor) Tougas Family Q-tip-trust, Trust "C" / TF El Camino LLC

(Lessee) City Of Menlo Park, California

Address of Premises: 871 Hamilton Ave. Units A&B Menlo Park, CA 94025

Paragraph

A. RENT ADJUSTMENTS:

The monthly rent for each month of the adjustment period(s) specified below shall be increased using the method(s) indicated below: (Check Method(s) to be Used and Fill in Appropriately)

I. Cost of Living Adjustment(s) (COLA)

a. On (Fill in COLA Dates):

the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): CPI W (Urban Wage Earners and Clerical Workers) or CPI U (All Urban Consumers), for (Fill in Urban Area):

, All Items (1982-1984 = 100), herein referred to as "CPI".

b. The monthly rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): the first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or (Fill in Other "Base Month"): . The sum so calculated shall constitute the new monthly rent hereunder, but in no event, shall any such new monthly rent be less than the rent payable for the month immediately preceding the rent adjustment.

c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

II. Market Rental Value Adjustment(s) (MRV)

a. On (Fill in MRV Adjustment Date(s)):

the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or

(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:

(i) Within 15 days thereafter, Lessor and Lessee shall each select an appraiser or broker ("Consultant" - check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by

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one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, i.e., the one that is NOT the closest to the actual MRV.

2) Notwithstanding the foregoing, the new MRV shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and

2) the first month of each Market Rental Value term shall become the new 'Base Month' for the purpose of calculating any further Adjustments.

III. Fixed Rental Adjustment(s) (FRA)

The Base Rent shall be increased to the following amounts on the dates set forth below:

| On (Fill in FRA Adjustment Date(s)): | The New Base Rent shall be: |
|--------------------------------------|-----------------------------|
| <u>June 15th, 2014</u> | <u>\$3,811.00</u> |
| <u>June 15th, 2015</u> | <u>\$3,925.33</u> |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

B. **NOTICE:**
Unless specified otherwise herein, notice of any such adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

C. **BROKER'S FEE:**
The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease.

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

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ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: June 4, 2013
Staff Report #: 13-088

Agenda Item #: F-4

REGULAR BUSINESS: **Review of Council Meeting Minutes Style**

RECOMMENDATION

Staff recommends that the City Council maintain the current policy to produce action minutes.

BACKGROUND

Since December 2008, the Menlo Park City Clerk's office has prepared action minutes as the official record of Council proceedings after previously producing extensive summary minutes for years. By Minute Order on December 16, 2008, the Council adopted Action Minutes as the style to be used for the official record. The City Council did retain the authority to request more detailed minutes for semi-adjudicatory items, such as appeals, if requested prior to the agenda item discussion.

Since the 1990's, audio and video recordings have been made to capture meetings in their entirety including comments made by the public and Council discussions of legislative intent. Currently, meetings are web streamed in addition to being recorded. These archives are available through the City's website and on DVD at the City Clerk's office and the Library. In 2011, the records retention schedule was updated make video recordings of Council meetings a permanent record so that members of the public, Council or staff may review details of meeting discussions.

ANALYSIS

Minutes serve as the official record and legislative history of Council actions and proceedings. California Government Code Sections 36814 and 4081 states that the City Clerk shall maintain a journal of proceedings or minutes of City Council meetings. The Code does not specify in what form or style the minutes must be as long as actions are recorded. Minutes are not meant to be transcriptions and are not an exact record of discussions and conversations.

Minutes Styles

Minutes can be prepared in several different formats, including Action Minutes, Summary Minutes, Extended Summary Minutes or a verbatim transcript.

Action Minutes record the following information:

- Meeting date
- Indication whether the meeting is regular, regular adjourned, or special
- Location
- Attendance
- Starting and ending times
- Description of items
- A listing of public comment and presentation speakers.
- A statement of action (motion, resolution or ordinance) and how the members voted.

Note that with televised meetings, webcasting and archiving media on the Internet, there are several means by which a member of the public, Council or staff may review meeting discussions.

Summary Minutes reflect all of the items included in action minutes with the addition of limited commentary by members of the public and the City Council. The comments of each speaker range from a few sentences to a few paragraphs.

Extended Summary Minutes reflect all of the above with more detail regarding what each speaker said on each topic, who responded and what they said, and so forth.

A Verbatim Transcript is a word for word written record of everything said during the proceedings.

Trends in Minute Styles

Over the years, the trend in minutes style has been shifting away from summary minutes.

In 2006 a survey was conducted via the City Clerks' Listserv through the League of California Cities with 110 cities responding. Of those cities responding, 35% produce Action Minutes, 62% prepared Summary Minutes and 3% prepared Verbatim Minutes.

In October 2008 another survey was conducted via the City Clerks' Listserv with 185 cities responding. The results from this survey showed that 52% of the cities produce Action Minutes, 44% Summary Minutes, less than 1% Verbatim Minutes and 3% hybrid of some type.

In May 2009, staff conducted a follow up to the previous information with a total 245 cities responding. The results from this survey showed 57% of the cities produce Action Minutes, 35% Summary Minutes, less than 1% using Verbatim Minutes and 7% a hybrid of some type.

The most recent Listserve inquiry conducted in May 2013 showed that, of 71 cities responding, 71% produce Action Minutes, 26% Summary Minutes, and less than 1% prepare a hybrid form.

Based on the survey results, there continues to be a shift towards using Action Minutes. The most frequent comment made among City Clerks is that for the public comment portion of the meeting, only the names of the speakers are recorded and, in some cities, whether the speaker is commenting in support or opposition of an agenda item.

Approval of Minutes

Menlo Park complies with the practice of having draft minutes reviewed and approved by the City Council at a regular meeting before they are considered final. Once approved, the minutes become the official record of what took place at a meeting and may be subpoenaed for court purposes. Minutes are posted to the website and are fully searchable by text. Since action minutes have been implemented, approval of minutes often occurs at the next Council meeting. As evidenced in past years, a return to summary minutes may delay approval by Council.

IMPACT ON CITY RESOURCES

There would be a significant impact on staff time to return to summary minutes as well as a delay in Council approval as it takes approximately three hours of staff time to prepare the minutes for every hour of meeting. It is challenging to distill 20 minutes of commentary, questions, and answers while providing the appropriate context. Maintaining action minutes will allow staff to complete the minutes within 24 hours, often by the next business day following a Council meeting. Barring any technical issues, webcast of Council meetings on the City's website as well as the DVD recording is available by the next morning.

POLICY ISSUES

Council's current policy directs the City Clerk to prepare action minutes. For uniformity, most of our City Commissions also prepare action minutes. A change to this policy will require the dedication of substantially more staff time to minute preparation, reducing the City Clerk's availability for other duties.

ENVIRONMENTAL REVIEW

This item does not require an environmental review.

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

Report prepared by:
Pamela Aguilar
Interim City Clerk