



**CITY COUNCIL
SPECIAL AND REGULAR MEETING
AMENDED AGENDA**

**Tuesday, June 3, 2014
6:30 P.M.**

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

**The agenda has been amended to move 2 items from Regular Business to
Informational Items - See Items I3 & I4**

6:30 P.M. CLOSED SESSION (1st floor Council Conference Room, Administration Building)

Public Comment on these items will be taken prior to adjourning to Closed Session

CL1. Closed Session pursuant to Government Code Section §54957 to conference with labor negotiators regarding labor negotiations with the Police Officers Association (POA) and Service Employees International Union (SEIU)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director, Drew Corbett, Finance Director, and Charles Sakai, Labor Attorney

7:00 P.M. REGULAR SESSION

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

PLEDGE OF ALLEGIANCE

REPORT FROM CLOSED SESSION

ANNOUNCEMENTS

SS. STUDY SESSION

SS1. Information on the City's Water Policy, Including Sources, Uses, and Conservation
([Staff report #14-101](#))

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation for Menlo Park City School District Measure W

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Bicycle Commission quarterly report on the status of their 2-year work plan

B2. Consider applicant for appointment to fill one vacancy on the Bicycle Commission
([Staff report #14-103](#))

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.** Waive the second reading and adopt an ordinance regarding the use of automated license plate readers and neighborhood surveillance cameras ([Staff report #14-091](#))
- D2.** Authorize the Public Works Director to accept the work performed by Omega Electric to furnish and install a new uninterruptible power supply system for the Administration Building ([Staff report #14-092](#))
- D3.** Award a contract for the replacement of the boiler and expansion tank at the Menlo Park public library to American Air Conditioning in the amount of \$74,466 and authorize a total project budget of \$90,466 for the equipment, contingency and administration ([Staff report #14-093](#))
- D4.** Adopt a resolution accepting dedication of a storm drainage easement at 20 Kelly Court and authorize the City Manager to sign the certificate of acceptance for the easement ([Staff report #14-094](#))
- D5.** Authorize the Public Works Director to accept the work performed by Bear Electrical Solutions, Inc. for the Oak Grove Avenue and Merrill Street Intersection In-Pavement Lighted Crosswalk Project ([Staff report #14-097](#))
- D6.** Authorize the City Manager to execute funding agreement among the San Francisquito Creek Joint Powers Authority and its member agencies for construction of the San Francisquito Creek Flood Reduction, Ecosystem Restoration and Recreation Project from San Francisco Bay to Highway 101 ([Staff report #14-098](#))
- D7.** Approval of the lease dated April 29, 2014 with Peninsula Volunteers, Inc. for the Little House located in Nealon Park, 800 Middle Avenue, Menlo Park, California ([Staff report #14-102](#))
- D8.** Accept Council minutes for the meetings of April 29, 2014, and May 6, 13, and 20, 2014 ([Attachment](#))

E. PUBLIC HEARING

- E1.** Adopt a resolution authorizing collection of a regulatory fee at existing rates to implement the local City of Menlo Park Storm Water Management Program for Fiscal Year 2014-15 ([Staff report #14-095](#))
- E2.** Adopt a resolution recommending that the San Mateo County Flood Control District impose basic charges at existing rate and increasing the additional charges for funding the Fiscal Year 2014-15 Countywide National Pollutant Discharge Elimination System General Program ([Staff report #14-096](#))

E3. Public Hearing on Fiscal Year 2014-15 budget and capital improvement program
([Staff report #14-099](#))

F. REGULAR BUSINESS - None

G. CITY MANAGER'S REPORT – None

H. WRITTEN COMMUNICATION – None

I. INFORMATIONAL ITEMS

I1. Update on multi-city affordable housing nexus study and impact fee feasibility for commercial and residential development ([Staff report #14-100](#))

I2. Update on the consultant selection process for the General Plan Update and M-2 Area Zoning Update ([Staff report #14-104](#))

I3. Memorandum of Understanding on Friendship Cooperation between the City of Menlo Park and Changping District, Beijing, the People's Republic of China ([Attachment](#))

I4. Memorandum of Understanding supporting a prosperous Sister City relationship between the City of Menlo Park and Luan in Anhui Province, the People's Republic of China ([Attachment](#))

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/AgendaCenter> and can receive e-mail notification of agenda and staff report postings by subscribing to the [Notify Me](#) service on the City's homepage at www.menlopark.org/notifyme. 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: 05/29/2014)

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>.

City Council meetings are televised live on Government Access Television Cable TV Channel 26. Meetings are re-broadcast on Channel 26 on Thursdays and Saturdays at 11:00 a.m. A DVD of each meeting is available for check out at the Menlo Park Library. Live and archived video stream of Council meetings can be accessed at <http://www.menlopark.org/streaming>.

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-101

Agenda Item #: SS-1

STUDY SESSION: Information on the City's Water Policy, Including Sources, Uses, and Conservation

BACKGROUND

On February 25, 2014, the City Council adopted its 2014 Goals. One of the goals is to provide information about the current local and regional water policy and long-term issues in order to evaluate the City's Water Policy including sources, uses, and conservation. This report will cover the following topics:

- Menlo Park Municipal Water District – historical and current water use, and conservation
- Bay Area Water Supply & Conservation Agency - background, studies and findings
- Alternative Water Sources
- Next Steps

ANALYSIS

Menlo Park Municipal Water District

The City's Menlo Park Municipal Water District (District) provides water to approximately 16,000 residents through two service areas; the eastern service area and the western service area (see Figure 1). The District purchases 100% of its water from the San Francisco Public Utilities Commission (SFPUC), which delivers water from the San Francisco Regional Water System (RWS). On average, 85% of RWS water comes from the Tuolumne River watershed and 15% comes from local watersheds in the East Bay and Peninsula. The District has two reservoirs in the western service area for pressurizing the system and emergency storage; however the eastern service area does not have emergency storage or a dedicated secondary water supply. The City is currently designing an emergency well as part of the City's Emergency Water Supply project, which will be constructed at the Corporation Yard and provide a backup supply to the eastern service area. The project goal is to construct approximately 3 to 4 wells in order to provide about 3,000 gpm (gallons per minute) to meet average-day potable water needs.

California Water Service provides water to the middle area of the City.



Figure 1

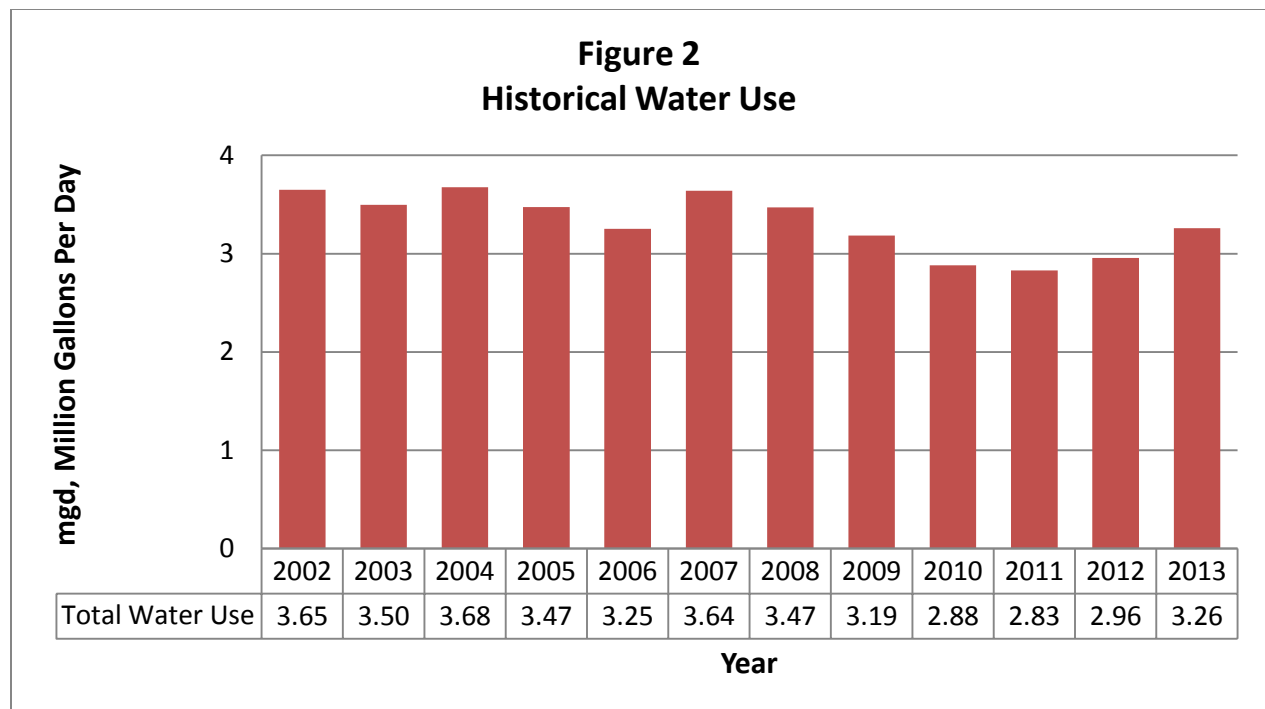
In 2013, the District’s total water use was 3.26 mgd, million gallons per day, distributed to 4,198 service connections as shown in Table 1.

**Table 1
Water District Breakdowns**

Description	# of Connections		2013 Water Use	
Residential	3,599	86%	1.42 mgd	44%
Commercial/Industrial	413	10%	1.20 mgd	37%
Irrigation	132	3%	0.46 mgd	14%
City Accounts	38	<1%	0.17 mgd	5%
Other (Temporary Meters)	15	<1%	0.01 mgd	<1%
TOTAL	4,198		3.26 mgd	

mgd = million gallons per day

Figure 2 shows the historical District total water use since 2002. Water fluctuations can occur due to impact to the economy and the amount of annual rainfall.



History - Bay Area Water Users Association (BAWUA)

In the 1970s BAWUA (Bay Area Water Users Association) was formed to represent the collective water interests of the wholesale water customers who purchase water from SFPUC. Menlo Park and the other agencies were members of BAWUA, an informal but effective organization. In the 1970s, the City of Palo Alto and others, legally challenged SFPUC’s rate setting process. The lawsuit and resulting settlement established the 1984 Settlement Agreement and Master Water Sales Contract between San Francisco and its wholesale customers, and created a comprehensive method for allocating the fair share cost of the water system between SFPUC and the wholesale customers.

Studies performed by the SFPUC following the 1989 Loma Prieta earthquake indicated that, in the event of a major earthquake, water supplies may not be available from the RWS to Menlo Park and the SFPUC’s other customers, including their retail customers in San Francisco, for up to 60 days. Concerns about the risks to the region’s water supplies and the resulting significant economic impact and the lack of response from SFPUC prompted BAWUA to work with local legislators for a solution to introduce three bills to the legislature. In February 2002, the Menlo Park City Council adopted a resolution supporting legislation to improve regional water reliability. By the end of August 2002, the legislature passed bills requiring SFPUC adopt and complete key Capital Improvement Projects, enabling the creation of BAWSCA, and creating the Regional Financing Authority, and they became effective on January 1, 2003.

Bay Area Water Supply and Conservation Agency (BAWSCA)

BAWSCA is the only entity that has the authority to directly represent the needs of the wholesale customers that depend on San Francisco Regional Water System. Through BAWSCA, the wholesale customers can work with SFPUC on an equal basis to ensure members a reliable supply of high quality water is available at a fair price. Council member Kirsten Keith is the Menlo Park representative on the BAWSCA Board.

Recent BAWSCA initiatives include:

- Developing a Long-Term Reliable Water Supply Strategy to meet the projected water needs of its member agencies and their customers through 2035 and to increase their water supply reliability under normal and drought conditions. Early results of the study showed an additional supply need of 4 mgd to 13 mgd in normal years and 58 mgd to 62 mgd in drought years. Based on this information, four types of projects have emerged with the most promise for addressing the supply need.
 1. Recycled water
 2. Local capture & reuse
 3. Desalination
 4. Water transfer projects

The Final Strategy Report is planned for completion by December 2014 and will present the recommended Strategy and the associated implementation plan to the BAWSCA Board of Directors.

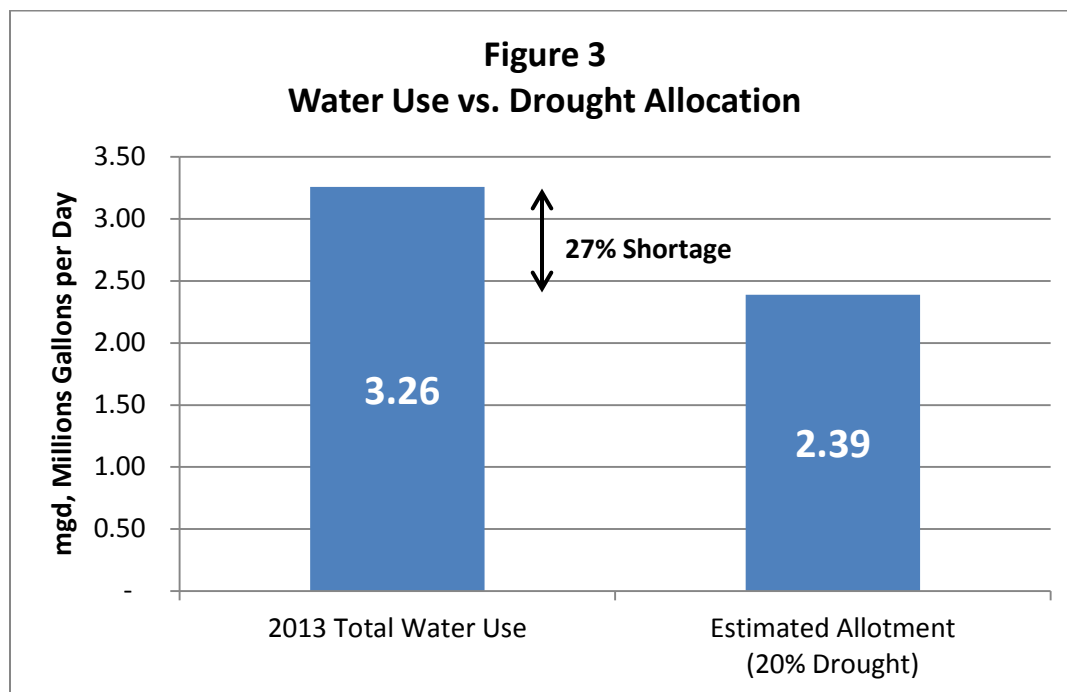
- Actively monitor SFPUC's progress in implementing the \$4.7 billion Water System Improvement Program (WSIP) to rebuild and retrofit the RWS to improve system reliability, especially to ensure delivery of water following a major seismic event. As of March 2014, 79% of the regional projects were completed. The WSIP is scheduled for completion in mid-2019.
- Ensure that SFPUC meets or exceeds its contractual commitments to the wholesale customers. The 25-year Water Supply Agreement, which BAWSCA negotiated with SFPUC in 2009, expands SFPUC's commitments to customers outside of the City of San Francisco who pay two-thirds of the cost of the system.
- Manage an award-winning regional water conservation program that is designed to support and augment the conservation programs of the member agencies including Menlo Park.

Drought Plan

In June 2009, the City entered into an agreement with SFPUC to purchase wholesale water. As part of that agreement, SFPUC’s Water Shortage Allocation Plan implements a method for allocating water during a drought among Menlo Park and the other wholesale customers. The Tier 1 Plan describes how water is allocated between the City of San Francisco (to be delivered to its retail customers) and the wholesale customers collectively. The Tier 2 Plan (also called the Drought Implementation Plan, (DRIP)) describes how the wholesale customers’ collective allocation is divided among the wholesale customers. The Tier 2 Plan only applies to system-wide water shortage of 20% or less. The DRIP, negotiated by BAWSCA among the wholesale customers, takes into consideration each agency’s 3-year average winter use and their respective SFPUC supply assurance (for Menlo Park that equates to 4.46 mgd, or 4993 AFY, acre-feet per year) in order to determine each agency’s allotment.

BAWSCA manages the DRIP, and they have developed a model to calculate allotments for each agency in the event that SFPUC declares a water-shortage. In the latest draft calculations for a system-wide shortage of 20%, Menlo Park’s allotment is estimated at 2.39 mgd (2,134 AFY). Should the SFPUC declare such a shortage, the actual amount of water available to Menlo Park and the other wholesale customers would be determined at that time based upon (1) projected demands and (2) the total amount of water available system-wide.

Comparing actual 2013 water use to the latest BAWSCA DRIP calculations of 2.39 mgd (2,134 AFY), Figure 3 shows that there is not sufficient water to meet current demands (a shortage of almost 27%).



In mid-June, SFPUC will inform Menlo Park and other SFPUC wholesale customers if there will be a mandatory water reduction or voluntary.

Water Conservation

Californians have made great progress in water use efficiency over the past three decades. At the local level, the benefits of water use efficiency may appear small, incremental, or difficult to see but the cumulative effect is significant and the benefits are widespread. Increased efficiencies can be attributed to several factors such as water suppliers' implementation of Best Management Practices, plumbing codes requiring more efficient fixtures, the model water efficient landscape ordinance, new technologies in the commercial/industrial sector, and mandates for converting unmetered connections to metered connections. See Attachment A for Milestones in Urban Water Use Efficiency over the last thirty years.

The City of Menlo Park has an aggressive Water Conservation Program. It includes the following components and identifies any partnering agencies:

1. "Lawn Be Gone" program so residents and businesses can replace traditional lawns with modern eco-friendly landscapes (BAWSCA).
2. High efficiency toilet rebates (BAWSCA).
3. Washing machine rebates (BAWSCA/PG&E).
4. Free landscape audits and financial assistance for commercial and multi-family customers to have an irrigation expert evaluate the system (BAWSCA).
5. Free water-saving fixtures (BAWSCA).
6. Free landscape classes (BAWCA).
7. Water Efficient Landscape Ordinance-Requirements to design efficient landscape for new and redeveloped projects if certain landscape thresholds are met.

In addition, in order to meet SFPUC's request to reduce water use voluntarily by 10%, the City has done the following:

1. Sent letters to restaurants asking them to only provide water to customers upon request and provided free tabletop cards.
2. Adjusted the City's irrigation controllers to cut back on watering by 10%.
3. Replaced old sprinkler heads around the Civic Center with new more efficient heads.
4. Placed a sign on Santa Cruz Avenue and Willow Road informing drivers to conserve water.
5. Turned off all City decorative fountains.
6. Stopped all power washing of sidewalks.

Alternative Water Sources

Recycled Water

Recycled water is wastewater that has been purified through a high level of treatment. This processed water is treated to strict standards set by the California Department of Public Health and is constantly monitored by local, state, and federal regulatory agencies to ensure it continuously meets those standards. Recycled water has been found safe for irrigation, industrial, and agricultural uses.

Menlo Park shares a boundary with Redwood City to the north and Palo Alto to the south. Both the City of Redwood City and the City of Palo Alto utilize recycled water as a water source. More information about each of their systems is below.

- **City of Palo Alto**

The City of Palo Alto's Recycled Water Facility has a maximum capacity of 38 mgd. The current average flow is about 22 mgd so the plant can support additional capacity. Their Recycled Water Facility Plan, dated December 2008, describes the City's plans to expand their recycled water system to Stanford Research Area (known as Phase 3) in the near future, and to Stanford University (known as Phase 4) which would bring the recycled water line closer to Menlo Park, however, they have not identified a timeline for completion. The connection to Menlo Park would be about 3.2 miles long and it would be cost prohibitive at this time (estimated at \$18 million for initial construction plus ongoing water costs).

- **City of Redwood City**

The Silicon Valley Clean Water (formerly South Bayside System Authority (SBSA) is owned by four jurisdictions: West Bay Sanitary District and the Cities of Belmont, San Carlos, and Redwood City. The SBSA has the capacity to grow but the existing facility may need modifications and expansions in order to do so. The connection to Menlo Park would be about 3.8 miles long and it would be cost prohibitive at this time (estimated at \$21 million for initial construction plus ongoing water costs).

On May 20, 2014, staff met with West Bay Sanitary District (West Bay) and their engineering consultant to learn about West Bay's study called the "Recycled Water Market Assessment." The purpose of the study is to estimate the quantity and types of potential recycled water customers within West Bay's boundaries, to develop a conceptual recycled water distribution system, and to estimate the construction and operations and maintenance costs of the conceptual project. The outcome of the study is tentatively planned to be presented to West Bay's Board this month. If the study shows positive cost benefits and the Board approves the report, West Bay plans to apply for a recycled water grant from the State Water Resources Control Board. The grant would be to study the feasibility of such a project in more detail. One of the conceptual ideas discussed with West Bay and their engineering consultant was to

construct a satellite recycled water treatment facility in the Sharon Heights area that would capture wastewater effluent from Portola Valley, treat it to meet recycled water standards, and use it for non-potable use (i.e. industrial and irrigation).

Based on this new development, staff believes it would be worthwhile to continue discussions with West Bay to determine the feasibility of constructing a satellite recycled water treatment facility.

Groundwater

Groundwater, pumped from beneath the earth's surface, is often cheaper, more convenient and less vulnerable to pollution than surface water. Therefore, it is commonly used for public water supplies. Groundwater provides the largest source of usable water storage in the United States. Underground reservoirs contain far more water than the capacity of all surface reservoirs and lakes, including the Great Lakes. In some areas, groundwater may be the only option, thus, some municipalities survive solely on groundwater as a water source. Currently, in San Mateo County, there are six water agencies with municipal wells, and 14 of the 26 BAWSCA agencies operate municipal wells for drinking water purposes.

In November 2012, the City of East Palo Alto completed its Gloria Way Water Well Production Alternatives Analysis & East Palo Alto Water Security Feasibility Study (by Todd Engineers, Kennedy/Jenks Consultants, and ESA). The report recommended several next steps, with one recommendation to develop a Groundwater Monitoring Plan and a Groundwater Management Plan to protect and develop the resource to ensure the continued highest beneficial use. A summary of the report can be found in Attachment B.

The report found that the annual recharge of the San Francisquito Creek Alluvial Fan is estimated between 4.46 mgd and 8.93 mgd (5000 and 10,000 AFY). The current annual groundwater pumping is about 2.05 mgd (2300 AFY), and estimated annual groundwater discharge (groundwater pumping plus aquifer subsurface outflows) is 2.60 mgd (2914 AFY). Based on this information, additional groundwater could be extracted through wells for irrigation and potable supply.

Groundwater Management in San Mateo County and Santa Clara County

The Santa Clara Valley Groundwater Basin overlies portions of both Santa Clara County and San Mateo County. In Santa Clara County, the Santa Clara Valley Water District (SCVWD) manages groundwater use, permits wells, and requires well owners to pay a wellhead fee. Thus, any well drilled in Santa Clara County, including City of Palo Alto's wells, are regulated by SCVWD for groundwater extracted.

In southern San Mateo County, where the City of Menlo Park is located, there is currently no regional groundwater management and no maintenance of a centralized database of groundwater elevation measurements by either the County of San Mateo or

local municipalities. Groundwater extraction is unregulated, there are no specific water rights, no fee to extract groundwater, and no groundwater monitoring. According to the County of San Mateo Environmental Health Division that permits new wells, they have no plans to develop an ordinance in the future to manage groundwater. Therefore, anyone can drill a well and extract water in San Mateo County once the County issues a well permit, and several District water customers have done so.

Groundwater Management Methods

In California, there is no law that requires groundwater management be applied to a basin. Management is often instituted based on monitoring data from existing wells to alleviate a specific groundwater problem. In these cases, there are three methods for groundwater management: 1) agreements and ordinances, 2) adjudication, and 3) local management under authority granted by State statute.

1. *Agreements and Ordinances*

Groundwater ordinances have been adopted by some cities and by 27 counties in California, mostly with the specific intent to limit or prohibit exporting groundwater. Local governments implementing this type of groundwater management utilize their police power, land use authority and general plan provisions to regulate groundwater pumping in their jurisdiction. Such ordinances typically are narrow – focused solely on regulating groundwater use – and do not support flexible management. Neither San Mateo nor Santa Clara counties has such ordinance. Developing an ordinance is time consuming, expensive, and complex, and it would only be needed if existing well monitoring data showed that there was a specific groundwater problem.

2. *Adjudication*

Adjudication is a management method for groundwater basins that have typically experienced overdraft for a sustained period. It is a judicial process to quantify each producer's water rights, and it appoints a watermaster to oversee court judgment. There are 22 groundwater basin adjudications in California, mostly in southern California. The 3 adjudicated basins in northern California are Seaside Basin in Monterey County, Scott River Stream System near the Oregon border, and the San Gregorio Creek Watershed near Half Moon Bay. The adjudication process is time consuming, expensive, and complex, and it would only be needed if existing well monitoring data showed that there was a specific groundwater problem and the courts are needed to determine how much groundwater can rightfully be extracted by each user.

3. *Local Management under Authority Granted by State Statute*

Many local water agencies are authorized by statute to implement some form of groundwater management. These include a variety of water districts, but not municipalities. The Santa Clara Valley Water District, established in 1951, is a special act district with expanded broad responsibility for groundwater

management, and with its groundwater management authority, they have prepared a Groundwater Management Plan.

In 1992, the State Legislature passed Assembly Bill (AB) 3030 to provide local agencies with increased authority to develop a groundwater management plan. The Department of Water Resources developed a groundwater management model ordinance (*California's Groundwater Bulletin 118*, March 2003) to provide a systematic procedure to develop a groundwater management plan. Required elements include:

- Written public notification to participate in developing a plan
- Basin management objectives
- Monitoring and managing groundwater levels, groundwater quality, land subsidence, and changes in surface flow and quality linked to groundwater levels or pumping
- A plan to coordinate with other agencies overlying the basin to work cooperatively
- Monitoring protocols
- Groundwater basin map

The Local Management process is time consuming, expensive, and complex, and it would only be needed if existing well monitoring data showed that there was a specific groundwater problem.

Tuolumne River Trust

Peter Drekmeir, Tuolumne River Trust Bay Area Program Director and former Palo Alto Mayor and Councilmember, helped convene a meeting of various interested parties in Santa Clara and San Mateo to discuss groundwater in the San Francisquito basin. After the discussion, he contacted the attendees including Councilmember Keith to discuss a resolution (see Attachments C and D) that he would like the City Council to consider. The goal of the Tuolumne River Trust is to protect the Tuolumne River, a California river that flows for 149 miles from the central Sierra Nevada to the San Joaquin River in the Central Valley. Approximately 85% of SFPUC water supply comes from the Tuolumne River watershed. For more information on the Trust, visit www.tuolumne.org/content/article.php/vision_and_goals.

Staff does not feel it is necessary to support the resolution at this time, as presently there is not a groundwater issue in the identified basin. Once the City completes the emergency water supply well at the Corporation Yard, the City will be monitoring the wells and collaborating with Cal Water, East Palo Alto, O'Connor Cooperative Water Tract, and Palo Alto in providing any data obtained. In addition, the Santa Clara Valley Water District already has an extensive program to monitor groundwater in Santa Clara County.

Potential Irrigation Well - Sharon Heights Golf & Country Club (Golf Club)

The Golf Club and City staff have been discussing the feasibility of constructing a well at a City park which could potentially provide irrigation water to the Golf Club, three City parks (Nealon Park, Jack Lyle Park, and Sharon Park), and La Entrada School. The Golf Club has proposed to finance the cost of the well development and piping infrastructure, and that the Water District would maintain the well and delivery system while passing any prorated and related overhead costs on to the Golf Club. In October 2010, the City Council authorized staff to proceed forward with public outreach.

The Golf Club was established in 1961 and designated as Open Space. Until the mid-1960s, the Golf Club's water source came from 4 to 5 wells located in an undeveloped area in central Menlo Park (where Hillview School on Santa Cruz Avenue currently resides). SFPUC's new Hetch Hetchy System came online in the mid-1960s and they began seeking new customers. The District approached the Golf Club, and in 1966, the Golf Club switched from well water to SFPUC water. Subsequently, in 1966 they abandoned their wells. In 1987, the Golf Club used an average of 0.18 mgd (162 AFY). In 1992, the Golf Club considered returning to well use, but they did not pursue it because the project entailed extensive rehabilitation of the previously-used wells and construction of new pipelines, and the area where the wells/pipelines were located was already developed and deemed unfeasible for use. In addition, drilling a well at the Golf Club was not an option since the Sharon Heights area sits directly on bedrock.

Over the last 5 years, the Golf Club has also actively investigated other possibilities for alternative water sources for irrigation purposes such as creating recycled water on-site, utilizing Stanford Lakes, constructing recycled water pipelines, and trucking in recycled water. Unfortunately, none of these options were feasible.

The Golf Club is currently the largest irrigation water user within the District (with City irrigation water use coming in second). In 2013, the Golf Club's irrigation water use was 0.14 mgd (157 AFY), which equates to 31% of all District irrigation water use and 4.4% of all District water use (domestic + irrigation). Staff has had numerous public meetings concerning a potential well at a City park (either Nealon Park or Jack Lyle Park). Because Jack Lyle Park is zoned "Public Facilities" (i.e. a conditional use permit would not be required) and the nearest resident is across the street, staff believes Jack Lyle Park is the most feasible location for the well.

In December 2011, staff made a presentation to the Parks & Recreation Commission (PRC) to seek their input on using park facilities for a groundwater irrigation well. The PRC recommended that the well not be seen or heard, that a remote location be selected so as not to impact future park uses, and that at least one other location besides Nealon Park and Jack Lyle Park be considered.

Staff also made a presentation to the Environmental Quality Commission (EQC) in February 2012 and March 2014 to seek their input on using groundwater as an alternate water supply source. During the March 26, 2014 EQC meeting, the EQC recommends

that the Council not pursue an agreement with the Golf Club as they have many concerns of groundwater use, and they recommend Council establish criteria to prioritize use of all water sources (see Attachment E).

Next Steps

1. Staff will continue discussions with the West Bay Sanitary District to consider constructing a satellite recycled water treatment facility in the Sharon Heights area.
2. Staff will bring the potential irrigation well at Jack Lyle Park to Council to consider entering into negotiations with the Sharon Heights Golf & Country Club.
3. Staff will continue participating with BAWSCA.

IMPACT ON CITY RESOURCES

There is no impact of City Resources.

POLICY ISSUES

The General Plan Policy under public and Quasi-public facilities and services states as follows:

I-H-5 New wells and reservoirs may be developed by the City to supplement existing water supplies for Menlo Park during emergency and drought periods. Other sources, such as interconnections and purchase agreements with water purveyors, shall be explored and developed.

I-H-6 The City shall work with other regional and subregional jurisdictions and agencies responsible for ground water extraction to attempt to develop a comprehensive underground water protection program which includes monitoring of all wells in the basin to evaluate the long term effects of water extraction. In addition, the City shall consider instituting appropriate controls within Menlo Park on the installation of new wells and on the pumping from both existing and new wells so as to prevent: ground subsidence, further salinity intrusion into the shallow aquifers, particularly in the bayfront area, and contamination of the deeper aquifers that may result from changes in the ground water level.

ENVIRONMENTAL REVIEW

No environmental review 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. Milestones in Urban Water Use Efficiency
- B. Updated Groundwater Estimates
- C. Tuolumne River Trust Proposed Resolution (original)
- D. Tuolumne River Trust Proposed Resolution (with recommended revisions)
- E. EQC Meeting Minutes, March 26, 2014

Report prepared by:

Ruben Nino, P.E.

Assistant Public Works Director

Pam Lowe, P.E.

Associate Civil Engineer

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MILESTONES IN URBAN WATER USE EFFICIENCY

1983 Urban Water Management Planning Act (UWMP Act)

The UWMP Act requires urban water suppliers to report water availability and use, long-range planning activities, and the implementation of fourteen Demand Management Measures. The Act has been updated numerous times in its nearly 30 year history.

1991 Formation of California Urban Water Conservation Council (CUWCC)

Water suppliers who sign the CUWCC Memorandum of Understanding (MOU) pledge to implement the Best Management Practices (BMPs) (adapted from the Demand Management Measures of the UWMP Act).

1992 – Present Toilet Retrofits

Plumbing codes for toilets have steadily increased toilet efficiencies. Before 1980 toilets typically used 5.0 gallons per flush (gpf). In 1980 the plumbing codes set the standard toilet flush volumes to 3.6 gpf. And in 1992 any toilet sold could only use a maximum of 1.6 gallons per flush. Beginning 2014 no toilet sold or installed can use more than 1.28 gallons per flush. Residential toilet retrofits had the greatest impact on urban water use, accounting for almost half of all BMP water savings through 2004.

Urban Planning

(Senate Bills 610 and 221) The approvals of large new developments in California must be linked to assurances that there is an adequate water supply over a twenty year period. Without assurances that there is a reliable source of water, even in dry years, large development projects cannot proceed.

2009 SBX7-7

This legislation requires the state to reduce urban per capita water use by 20% by 2020

2010 Model Water Efficient Landscape Ordinance (MWELO)

This ordinance requires cities and counties to adopt a water efficient landscape ordinance at least as effective in water savings as the Model Ordinance by January of 2010.

2011 Cal Green Building Code

Requires a 20 percent reduction in indoor water use, separate water meters for indoor and outdoor water uses in nonresidential, and moisture-sensing irrigation systems for larger landscape projects

2025 Mandatory Metering

All urban water suppliers are required to install water meters on all municipal and industrial water service connections within their service area by 2025. Cities receiving federal water must install water meters by 2013.

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Updated Groundwater Estimates

The following data was taken from the City of East Palo Alto report titled *Gloria Way Water Well Production Alternatives Analysis & East Palo Alto Water Security Feasibility Study*, dated November 2012 (by Todd Engineers, Kennedy/Jenks Consultants, and ESA).

Wells in the SF Subbasin

- Municipal/University/Industrial Wells
 - Palo Alto Park Mutual Water Company currently provides about 0.47 mgd (523 AGY) of groundwater from five wells located in East Palo Alto.
 - The O'Connor Tract Cooperative Water Company operates two wells in Menlo Park providing 0.07 mgd (84 AFY) to about 300 homes and apartments, assuming each connection uses 250 gpd.
 - Stanford University uses groundwater for irrigation totaling 0.3 gpd (342 AFY).
 - In Menlo Park, the Veteran's Hospital, St. Patrick's Seminary, Menlo College, and USGS operate larger capacity wells for irrigation, domestic, or industrial uses. The volume of water pumped from these wells is unknown but estimated at 0.45 mgd (500 AFY).
- Industrial Wells
 - Three industrial wells have been identified in Redwood City, however their status is unknown.
- Domestic/Irrigation Wells
 - The USGS performed a comprehensive survey for the City of Atherton and identified at least 278 likely active wells as of 1993-1995 with total pumping estimated at 0.63 mgd (710 AFY). Based on this data, the USGS was able to estimate that the 100 domestic and irrigation wells installed since 1962 in the other cities would yield approximately 0.17 mgd (190 AFY).
- Potential Future Municipal Wells (Emergency and Long-Term Supply)
 - The City of East Palo Alto's Gloria Well could produce between 0.50 mgd and 0.66 mgd (564 AFY to 735 AFY), and the City would like to develop additional groundwater supplies to yield 1.00 mgd (1120 AFY).
 - The City of Palo Alto currently maintains seven wells for emergency standby supply and is planning to drill up to three additional wells. It is estimated that the wells could produce 0.45 mgd (500 AFY) on a continuous basis or 1.34 mgd (1500 AFY) on an intermittent basis without causing excessive declines in groundwater levels..
 - The City of Menlo Park is currently designing the first of three or four wells as an emergency supply to provide up to 3,000 gpm, or 4.32 mgd (4839 AFY).
 - The City of Redwood City is located in an area where groundwater development is less economically feasible due to thinner and more fine-grained alluvial deposits, thus, they are not planning on implementing groundwater development.

Report findings for the San Mateo Subbasin

- The annual recharge is estimated between 4.46 mgd (5000 AFY) and 8.93 mgd (10,000 AFY).
- Total current groundwater use is estimated at 2.05 mgd (2300 AFY), which equates to 23% at the upper recharge rate and 46% at the lower recharge rate.
- The estimated annual groundwater discharge, which equals groundwater pumping plus subsurface outflow, is 2.60 mgd (2914 AFY).
- Based on current groundwater use and estimated annual groundwater discharge, it is apparent that additional groundwater could be extracted through wells for irrigation and potable supply.
- Projected future groundwater pumping, which includes supplemental emergency groundwater developed by Menlo Park and East Palo Alto, is estimated between 4.0 mgd (4500 AFY) and 4.4 mgd (4900 AFY), which equates to 45%-49% at the upper recharge rate and 90%-98% at the lower recharge rate.
- As additional groundwater is developed, basin management is recommended to monitor and manage groundwater conditions; to minimize potential impacts on other wells, streams, and associated habitat; and to avoid subsidence and saline water intrusion.

**RESOLUTION IN SUPPORT OF SUSTAINABLE GROUNDWATER MANAGEMENT
IN THE SAN FRANCISQUITO CREEK AREA
TO ENSURE ITS AVAILABILITY DURING DROUGHTS
AND EMERGENCY SITUATIONS**

WHEREAS, the San Francisquito Creek area of the Midpeninsula overlies the Santa Clara and San Mateo Plain Groundwater Subbasins; and

WHEREAS, groundwater is a critical natural resource that is vital for emergency water supplies on the Midpeninsula, and therefore needs to be protected; and

WHEREAS, most of the water consumed on the Midpeninsula is purchased from a single source – the San Francisco Public Utilities Commission (SFPUC) – with 85% coming from the Hetch Hetchy Reservoir on the Tuolumne River, making our primary water supply vulnerable to the impacts of climate change as well as major catastrophes; and

WHEREAS, interest in local groundwater extraction is growing as a result of rising SFPUC water prices, limits on current availability of SFPUC water, population growth and likely reductions in water supply due to climate change and droughts; and

WHEREAS, sustainable groundwater management will preserve stable groundwater levels through the recurring cycles of above average rainfall and below average rainfall (drought) periods; and

WHEREAS, unsustainable groundwater extraction will result in declining groundwater levels, which may lead to saltwater intrusion, land subsidence and degradation of water quality; and

WHEREAS, contingency plans of many water providers for droughts and emergencies likely will rely on the same shared groundwater resources, making strong support and cooperation from well owners, water agencies, land use planning agencies and all water users vital to protecting and maintaining our groundwater resources; and

WHEREAS, groundwater resources can be enhanced through conjunctive water management, groundwater recharge, aggressive water conservation/efficiency, use of alternative supplies such as recycled water, and storm water infiltration; and

WHEREAS, groundwater and surface water in the San Francisquito Creek area are interconnected resources that cross political boundaries and support multiple beneficial uses; and

WHEREAS, more information on the hydrology and geology of the San Francisquito Creek area is needed to better design and implement sustainable groundwater management practices;

THEREFORE, BE IT RESOLVED, that (entity) is committed to collaborating with other agencies and organizations to better understand the hydrology and geology of the San Francisquito Creek area, including recharge and sustainable extraction rates; and

FURTHER, BE IT RESOLVED, that (entity) is committed to the sustainable management

of local groundwater, including conjunctive water management and aggressive conservation, to protect its quality and ensure its availability during droughts and emergency situations.

PASSED AND ADOPTED by (entity) on (date).

**RESOLUTION ~~IN REGARDING~~ SUPPORT OF SUSTAINABLE GROUNDWATER
MANAGEMENT
IN THE SAN FRANCISQUITO CREEK AREA
TO ENSURE COLLABORATION BETWEEN JURISDICTIONS ~~ITS AVAILABILITY DURING~~
DROUGHTS
AND ~~EMERGENCY SITUATIONS~~**

WHEREAS, the San Francisquito Creek area of the Midpeninsula overlies the Santa Clara and San Mateo Plain Groundwater Subbasins; and

WHEREAS, groundwater is a critical natural resource that is vital for emergency water supplies on the Midpeninsula, ~~and therefore needs to be protected~~; and

WHEREAS, most of the water consumed on the Midpeninsula is purchased from a single source – the San Francisco Public Utilities Commission (SFPUC) – with 85% coming from the Hetch Hetchy Reservoir on the Tuolumne River, making our primary water supply vulnerable to the impacts of climate change as well as major catastrophes; and

WHEREAS, interest in local groundwater extraction is growing as a result of rising SFPUC water prices, limits on current availability of SFPUC water, population growth and ~~likely potential~~ reductions in water supply due to climate change and droughts; and

WHEREAS, unsustainable groundwater extraction ~~will~~ could result in declining groundwater levels, which may lead to saltwater intrusion, land subsidence and degradation of water quality; and

WHEREAS, contingency plans of many water providers for droughts and emergencies likely will rely on the same shared groundwater resources, making strong support and cooperation from well owners, water agencies, land use planning agencies and all water users ~~vital~~ important to protecting and maintaining our groundwater resources; and

WHEREAS, groundwater resources can be enhanced through conjunctive water management, including ~~aggressive~~ water conservation/efficiency, use of alternative supplies such as recycled water, and storm water infiltration, and all forms of groundwater recharge; and

WHEREAS, groundwater and surface water in the San Francisquito Creek area are interconnected resources that cross political boundaries and support multiple beneficial uses; and

WHEREAS, more information on the hydrology and geology of the San Francisquito Creek area is needed to better design and implement sustainable groundwater management practices;

THEREFORE, BE IT RESOLVED, that (entity) is committed to collaborating, as appropriate, with other agencies and organizations, over time, to better understand the hydrology and geology of the San Francisquito Creek area; and

FURTHER, BE IT RESOLVED, that (entity) is committed to the exploring sustainable management of local groundwater, including conjunctive water management and aggressive conservation, to help protect its quality and ensure its availability during droughts and emergency situations.

PASSED AND ADOPTED by (entity) on (date).

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ENVIRONMENTAL QUALITY COMMISSION MEETING MINUTES

Wednesday, March 26, 2014 at 6:30 p.m.
City Administration Building
701 Laurel Street, Menlo Park

The meeting was called to order by Chair DeCardy at 6:35pm

ROLL CALL:

Present: Allan Bedwell, Chris DeCardy (Chair), Kristin Kuntz-Duriseti, Scott Marshall (Vice Chair), Deborah Martin, Mitchel Slomiak

Absent: Christina Smolke

A. PUBLIC COMMENT

Elizabeth Houck expressed her concerns over herbicides being sprayed in Nealon Park, right next to the nursery school where children play. She showed the Commission a video that she had taken of a Menlo Park employee spraying herbicide around a tree and stated that the chemical has the potential to get into our water supply. Ms. Houck also noted that after the spraying, she was able to smell the herbicide in her home for hours.

David Alfano also expressed concerns over herbicide being sprayed in Nealon Park, specifically underneath the Conifer and Dogwood tree. He stated that the herbicide is damaging the landscape.

Lynore Banchoff requested that the City address the invasive ivy at Nealon Park.

B. REGULAR BUSINESS

B1. Approve February 26, 2014 Minutes [Attachment](#)

ACTION: Motion and Second (Bedwell/Slomiak) to approve the February 26, 2014 minutes passes (4-0-3), (Absent: Martin, Smolke, Abstain: Scott).

Commissioner Martin arrived at 6:45pm

B2. Issue a Determination on a Heritage Tree Appeal at 1860 Oakdell Drive
[Attachment](#)

Brian Henry, City Arborist, provided the Commission with the background surrounding the appeal.

Mara Young, Appellant, stated that her client has a traditional house and that they would like to keep a traditional landscape, but the current location of the Spruce tree makes it difficult. Ms. Young also proposed that she would be willing to plant a 24” box Red Maple in the Spruce’s place if the tree removal permit is granted.

ACTION: Motion and Second (Bewdell/Slomiak) to deny the appeal based on criteria No. 1 and 8 of the Heritage Tree ordinance. In regards to criteria 1, the Spruce tree does not show symptoms of disease and in regards to criteria 8, alternatives to tree removal exist. The motion passes (4-2-1), (Noes: Kuntz-Duriseti, Marshall, Absent: Smolke).

B3. Discuss the Environmental Quality Commission’s Previous Recommendation to City Council Regarding the Construction of a Potential Well on City Property that Could Provide Irrigation to the Sharon Heights Golf Course, City Parks, and a School [Attachment](#)

Ruben Nino, Assistant Public Works Director, gave a presentation to the Commission and Robin Driscoll, representative from the Sharon Heights Golf Course, was present to answer the Commission’s questions.

Public Comment

Paul Kick stated that he does not support the proposed project and is against the installation of a well in Nealon Park or in any of Menlo Park’s other parks.

Mary Kuechler stated that she does not support the proposed project and that she finds the City’s project review process confusing. She also noted that she applauds the Environmental Quality Commission for addressing the City’s water use.

Elizabeth Houck stated that she does not support the proposed project and expressed her concerns over the possible impacts that could occur, such as subsidence, if the well were to be installed.

Lynore Banchoff stated that she does not support the proposed project and that she is opposed to the installation of a well in any public space.

Dan Hilberman stated that he does not support the proposed project and suggested that all stakeholders need to be involved to talk about the best use of the aquifer.

Marjorie Zimmerman stated that she does not support the proposed project because she is opposed to the use of public land for a well.

David Alfano stated that he does not support the potential project and also noted that his house sits right on top of the aquifer. He also expressed his concerns over potential issues of subsidence and the asymmetry between San Mateo County and Santa Clara County's Groundwater Management Plan. Mr. Alfano also provided the Environmental Quality Commission with a United States Geological Survey (USGS) case study article on subsidence. ([Handout](#))

Peter Hart stated that he does not support the potential project because there is no discussion on how the Golf Course's water use will be restricted.

Brielle Johnck stated that she reaffirms her previous comment on opposing the proposed project and she also expressed concerns over new housing developments in Menlo Park that may impact existing water resources.

Steve Schmidt stated that he reaffirms his previous comment on opposing the proposed project and expressed concerns over the Golf Course's offer to pay for the infrastructure for the project.

ACTION: Motion and Second (Slomiak/Bedwell) for the EQC to reaffirm its February 2012 recommendation with the refinements as stated below and to designate Commissioner Bedwell, with Commissioners DeCardy and Marshall as his alternates, to speak on behalf of the EQC regarding this recommendation and its context when the item is brought before City Council passes (6-0-1), (Absent: Smolke).

1. To date, the Potential Irrigation Well project has been heard by the EQC a total of three times in the last three years, with strong resident opposition voiced each time. The EQC also recognizes that a significant amount of staff time has been spent on multiple reviews of the proposed project. As a result, the EQC once again reaffirms its recommendation as advocated in February 2012 as stated:

"The EQC recommends to City Council that any specific proposals for groundwater use, including the cost, siting, or the like should be considered after:

- a) A city grey water plan is developed; and*
- b) The city engages with the San Mateo County to clarify long term water rights for the San Francisquito Creek Aquifer."*

2. In addition, the EQC does not support pursuing a MOU for the proposed Sharon Heights Golf & Country Club well project due to the concerns over the impact of the potential project (i.e. depletion of local community drinking water resources, ground subsidence as a result of water extraction, damage to plants, trees, and animals from reduced aquifer water supply, and saltwater intrusion from the Bay) and other projects similar in nature, that withdraw water from the region's aquifer, which is a limited public and environmental resource.

3. The EQC also urges the City Council to immediately establish a criteria system to prioritize use for all water resources available to Menlo Park residents and businesses (e.g. drilling a private well or increasing water use/irrigation) under all resource supply conditions. This criteria system should be in place prior to considering water resource use request.
4. Lastly, the EQC would like to provide clarification for the following terms, “Water Resources” and “Water Resource Supply Conditions” as stated below:
 - “Water Resources” is defined as water sourced from aquifers, conveyed water, grey water, or surface impoundment.
 - “Water Resource Supply Conditions” is defined as a wide range of current and future water supply conditions including droughts, water surplus, and changes in water supply contracts.

B4. Discuss Environmental Quality Awards and Select Winners [Attachment](#)

Commissioner Deb Martin presented the Commission with the award applications and provided the background on each nominee.

ACTION: Motion and Second (Slomiak/Kuntz-Duriseti) to award 2014 Environmental Quality Awards to Carolee Hazard for the Sustainable Landscape category and Gridium for the Climate Change category, passes (6-0-1), Absent: Smolke.

B5. Update and Report on Arbor Day Tree Planting Event

Commissioners Marshall and Bedwell provided an update to the Commission and stated that the Arbor Day Tree Planting event will be held at the Belle Haven Child Development Center located on 410 Ivy Drive. The event will take place on Thursday, April 3rd at 9:30am.

C. COMMISSION REPORTS AND ANNOUNCEMENTS

The following updates were received by the Commission:

C1. Staff Update on Environmental Policies to be Considered by City Council

C2. Commission Subcommittee Reports and Announcements

C3. Discuss Future Agenda Items

D. ADJOURNMENT

The meeting was adjourned at 10:29pm.

Meeting minutes prepared by Vanessa Marcadejas, Environmental Programs Specialist.



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-103

Agenda Item #: B-2

COMMISSION APPOINTMENT: Consider Applicant for Appointment to Fill One Vacancy on the Bicycle Commission

RECOMMENDATION

Staff recommends appointing an applicant to fill one vacancy on the Bicycle Commission.

BACKGROUND

Staff conducted recruitment for the vacant positions by publishing press releases in the *Daily News*, the *Almanac* and *Patch.com*, posting notices on the City's Facebook page and website, displaying ads on the electronic bulletin boards throughout the City's recreation facilities, the main library and on government access Channel 29, and by reaching out to the community through the social media site Next Door, the Chamber of Commerce online newsletter and by emailing targeted residents.

ANALYSIS

There remains one vacancy on the Bicycle Commission due to the recent appointment of former Commissioner Andrew Combs to the Planning Commission on April 29, 2014.

Since the April 29th Council meeting, the City Clerk's office has received an additional application for the Bicycle Commission and it is recommended that the Council appoint this candidate to fill the open seat. The appointment will be for a term expiring April 30, 2016.

Pursuant to City Council Policy CC-01-0004 (Attachment A), commission members must be residents of the City of Menlo Park and serve for designated terms of four years, or through the completion of an unexpired term. Residency for this applicant has been verified by the City Clerk's office.

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

IMPACT ON CITY RESOURCES

Staff support for selection of commissioners is included in the FY 2013-14 Budget.

POLICY ISSUES

Council Policy CC-01-004 establishes the policies, procedures, roles and responsibilities for the City's appointed commissions and committees.

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. Excerpt from Council Policy CC-01-004, pages 5-6
- B. Commission Application

Report prepared by:
Pamela Aguilar
City Clerk

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

Application/Selection Process

1. The application process begins when a vacancy occurs due to term expiration, resignation, removal or death of a member.
2. The application period will normally run for a period of four weeks from the date the vacancy occurs. If there is more than one concurrent vacancy in a Commission, the application period may be extended. Applications are available from the City Clerk’s office and on the City’s website.
3. The City Clerk shall notify members whose terms are about to expire whether or not they would be eligible for reappointment. If reappointment is sought, an updated application will be required.
4. Applicants are required to complete and return the application form for each Commission/Committee they desire to serve on, along with any additional information they would like to transmit, by the established deadline. Applications sent by fax, email or submitted on-line are accepted; however, the form submitted must be signed.
5. After the deadline of receipt of applications, the City Clerk shall schedule the matter at the next available regular Council meeting. All applications received will be submitted and made a part of the Council agenda packet for their review and consideration. If there are no applications received by the deadline, the City Clerk will extend the application period for an indefinite period of time until sufficient applications are received.
6. Upon review of the applications received, the Council reserves the right to schedule or waive interviews, or to extend the application process in the event insufficient applications are received. In either case, the City Clerk will provide notification to the applicants of the decision of the Council.
7. If an interview is requested, the date and time will be designated by the City Council. Interviews are open to the public.
8. The selection/appointment process by the Council shall be conducted open to the public. Nominations will be made and a vote will be called for each nomination. Applicants receiving the highest number of affirmative votes from a majority of the Council present shall be appointed.
9. Following a Council appointment, the City Clerk shall notify successful and unsuccessful applicants accordingly, in writing. Appointees will receive copies of the City’s Non-Discrimination and Sexual Harassment policies, and disclosure statements for those members who are required to file under State law as designated in the City’s Conflict of Interest Code. Copies of the notification will also be distributed to support staff and the Commission/Committee Chair.
10. An orientation will be scheduled by support staff following an appointment (but before taking office) and a copy of this policy document will be provided at that time.

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

Attendance

1. An Attendance Policy (CC-91-001), shall apply to all advisory bodies. Provisions of this policy are listed below.
 - A compilation of attendance will be submitted to the City Council at least annually listing absences for all Commissions/Committee members.
 - Absences, which result in attendance at less than two thirds of their meetings during the calendar year, will be reported to the City Council and may result in replacement of the member by the Council.
 - Any member who feels that unique circumstances have led to numerous absences can appeal directly to the City Council for a waiver of this policy or to obtain a leave of absence.
2. While it is expected that members be present at all meetings, the Chair and Staff Liaison should be notified if a member knows in advance that he/she will be absent.

Compensation

1. Members shall serve without compensation (unless specifically provided) for their services, provided, however, members shall receive reimbursement for necessary travel expenses and other expenses incurred on official duty when such expenditures have been authorized by the City Council (See Policy CC-91-002).

Conflict of Interest and Disclosure Requirements

1. A Conflict of Interest Code has been updated and adopted by the City Council and the Community Development Agency pursuant to Government Code Section 87300 et seq. Copies of this Code are filed with the City Clerk. Pursuant to the adopted Conflict of Interest Code, members serving on the Planning Commission are required to file a Statement of Economic Interest with the City Clerk to disclose personal interest in investments, real property and income. This is done within thirty days of appointment and annually thereafter. A statement is also required within thirty days after leaving office.
2. If a public official has a conflict of interest, the Political Reform Act may require the official to disqualify himself or herself from making or participating in a governmental decision, or using his or her official position to influence a governmental decision. Questions in this regard may be directed to the City Attorney.

Qualifications, Compositions, Number

1. In most cases, members shall be residents of the City of Menlo Park, at least 18 years of age and a registered voter.
2. Current members of any other City Commission or Committee are disqualified for membership, unless the regulations for that advisory body permit concurrent membership.
3. Commission/Committee members shall be permitted to retain membership while seeking any elective office. However, members shall not use the meetings, functions or activities of such bodies for purposes of campaigning for elective office.



COMMISSION/COMMITTEE APPLICATION

Please type or print clearly. You may attach additional pages, if necessary. This is a public document.

Date: __ November 20, 2013 _____

Commission/Committee of Interest: Bicycle Commission _____

Name: Jonathan Weiner _____

Education: BS Computer Science & Engineering, University of Pennsylvania

Civic affiliations and community activities, including service on other commissions or committees:

Member Silicon Valley Bicycle Coalition, San Francisco Bicycle Coalition, SPUR, Transform, Transportation Alternatives.

Describe your understanding of the responsibilities of the commission that you are applying for and how your personal, community or professional experience relate to these responsibilities:

The bicycle commission is involved with issues related specifically to bicycling in Menlo Park such as infrastructure, wayfinding and education. More generally, the commission also addresses how bicycling may contribute to desired outcomes in the city such as improved health and sustainability.

I have been car-free for five years relying on walking and biking as my primary means of transportation. My children bike to Oak Knoll, Hillview and Menlo-Atherton schools as well as to their various activities whenever possible. My perspective as a parent in a car-lite family will be valuable to the commission as it attempts to improve bicycling conditions for residents of Menlo Park.

Describe why you want to serve on this commission and what you hope to accomplish as a member:

One of the things I love about living in Menlo Park is the ease of bicycling for me and my family. My children get tremendous benefit from bicycling to school. It is disheartening to hear that other parents do not let their children bike to school because it is perceived as unsafe. I would like to help make Menlo Park a world-class bicycling city – one that encourages and enables people to rely on their bikes as a significant mode of transportation. The bicycle commission is at the center of this effort and it is where I can make the greatest contribution to this city.

Terms

Terms for most commissions/committees are for a period of four years. Members are limited to two consecutive full terms. If a person is appointed to fill an unexpired term and serves less than two years, that time will not be considered a full term. However, if a person is appointed to fill an unexpired term and serves two years or more, that time will be considered a full term.

Specific Information

Serving on a commission or committee may require one or two night meetings per month, with each meeting averaging three to four hours. You may also be asked to serve on additional subcommittees. Members are expected to attend all meetings. Attendance at less than two-thirds of scheduled meetings may result in removal by the Council. Commissioners are not paid for their volunteer service. General information related to the charge of the commissions and committees and their schedules are shown on the attachment. More specific information may be obtained by viewing the City's website at http://www.menlopark.org/city_commissions.html and by contacting the staff liaison.

Information about the Appointment Process

The application process may take from six weeks to two months. Vacancies are advertised for approximately 30 days with a specific filing deadline. Deadlines may be extended. Please return your application, along with any attachments, to the City Clerk, at the address listed below. Applications are kept on file for one year. The City Council will review all applications, may contact you individually or may decide to hold interviews. All appointments will be made by nomination and vote of the City Council at a Council meeting. Questions about the application process should be directed to Pamela Aguilar, Acting City Clerk, at (650) 330-6620 or by e-mail at piaguilar@menlopark.org.

Applicant's Signature

**Return to the City Clerk, City of Menlo Park,
701 Laurel Street, Menlo Park, CA 94025
(Phone: (650) 330-6620 or e-mail at piaguilar@menlopark.org)**

OFFICE USE ONLY	
Application Received: _____	Address Verified in City Limits: By: _____ Initials
Considered by City Council: _____	Appointed: Yes <input type="checkbox"/> No <input type="checkbox"/>
Considered by City Council: _____	Appointed: Yes <input type="checkbox"/> No <input type="checkbox"/>
Considered by City Council: _____	Appointed: Yes <input type="checkbox"/> No <input type="checkbox"/>
If Appointed Term ends: _____	

PERSONAL INFORMATION

Name: Jonathan Weiner _____

Residence Address: _____

(Note: Residency within the City limits is required)

Registered Voter (required): Yes _____

Telephone No: _____ Number of years as a Menlo Park resident: 2

Occupation: FinePrint Software CEO _____

Email address: _____

Business Address/Telephone No: _____

Internet Posting

If I am appointed, the City is authorized to post the following information on the City's website:

Home Address: YES NO
 x

E-mail: x

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POLICE DEPARTMENT

**Council Meeting Date: June 3, 2014
Staff Report #: 14-091**

Agenda Item #: D-1

CONSENT CALENDAR: **Waive the Second Reading and Adopt an Ordinance Regarding the Use of Automated License Plate Readers and Neighborhood Surveillance Cameras.**

RECOMMENDATION

Staff recommends that the City Council waive the full reading of and adopt an ordinance regarding the use of automated license plate readers and neighborhood surveillance cameras.

BACKGROUND

At the May 13, 2014 City Council meeting, the Council voted 3-2-0 with Council members Carlton and Ohtaki dissenting, to approve the attached ordinance, rather than a resolution, regarding the use of automated license plate readers and neighborhood surveillance cameras.

ANALYSIS

Staff completed Ordinance 1007 (Attachment A), which was introduced at the Council meeting on May 13, 2014. If the Council takes action to adopt the ordinance, it will become effective 30 days later, or July 3, 2014.

IMPACT ON CITY RESOURCES

There is no direct impact on City resources associated with adoption of his ordinance.

POLICY ISSUES

The recommended action is consistent with the City Council's actions and approvals of the ordinance at its meeting of May 13, 2014, and adds Chapter 2.56 [Public Safety Information] to Title 2 [Administration and Personnel] of the Menlo Park Municipal Code.

ENVIRONMENTAL REVIEW

Not applicable – Activity is not a project defined by Section 15378 of the CEQA Guidelines.

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. Ordinance 1007 Adding Chapter 2.56 [Public Safety Information] to Title 2 [Administration and Personnel] of the Menlo Park Municipal Code.

Report prepared by:
Dave Bertini
Police Commander

ORDINANCE NO. 1007

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
MENLO PARK ADDING CHAPTER 2.56 [PUBLIC SAFETY
INFORMATION] TO TITLE 2 [ADMINISTRATION AND
PERSONNEL] OF THE MENLO PARK MUNICIPAL CODE**

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

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

- A. The Menlo Park Police Department has acquired Automated License Plate Readers to be installed on one or more Police Department vehicles to be used by the Police Department to convert data associated with vehicle license plates for official law enforcement purposes, including identifying stolen and wanted vehicles, stolen license plates and missing persons, and to gather information related to active warrants, homeland security, electronic surveillance, suspect interdiction and stolen property recovery.
- B. The City of Menlo Park plans to operate a Public Safety Camera System for the purpose of creating a safer environment for all those who live, work and visit the City, which cameras may be used for detecting and deterring crime, to help safeguard against potential threats to the public, to help manage emergency response situations during natural and man-made disasters and to assist City officials in providing services to the community.
- C. The City Council is concerned about protecting the privacy of its residents with respect to the retention and use of data obtained by Automated License Plate Readers and the Public Safety Camera System and desires to add Chapter 2.56 [Public Safety Information] to Title 2 [Administration and Personnel] of the Menlo Park Municipal Code to address the use and retention of this information.

SECTION 2. ADDITION OF CODE. Chapter 2.56 [Public Safety Information] is hereby added to Title 2 [Administration and Personnel] of the Menlo Park Municipal Code to read as follows:

Chapter 2.56

PUBLIC SAFETY INFORMATION

Sections:

- 2.56.010 Purpose
- 2.56.020 Definitions
- 2.56.030 Automated License Plate Reader Data Use
- 2.56.040 Prohibited Use of Automated License Plate Reader and Data
- 2.56.050 Automated License Plate Reader Auditing and Reporting
- 2.56.060 Public Safety Camera System Data Use
- 2.56.070 Prohibited Use of Public Safety Camera System and Data
- 2.56.080 Public Safety Camera System Auditing and Reporting
- 2.56.090 Adoption of Department Policies

2.56.010 Purpose

The purpose of this Chapter is to provide for the proper use of data and recordings gathered by the City through the use of Automated License Readers and the Public Safety Camera System.

2.56.020 Definitions

For the purposes of this Chapter, the following words and phrases shall have the meanings ascribed to them in this Section:

- A. “Automated License Plate Reader” or “ALPR” means technology, also known as License Plate Recognition, which provides automated detection of license plates.
- B. “Data” means information gathered by the Automated License Plate Reader in the form of license plates and metadata (location and time license plate was viewed).
- C. “Public Safety Camera System” means cameras that record images only and not sound and that are placed in strategic fixed locations within the City at the direction of the Chief of Police and with the approval of the City Council for the purpose of detecting and deterring crime, to help emergency services personnel maintain public order, to help manage emergency response situations during natural and man-made disasters, to monitor pedestrian and vehicle traffic activity, to assist in the preparation of traffic reports, and to assist City officials in prosecuting and/or defending civil or administrative actions.

- D. "Recordings" means the recorded images, without sound, recorded by the Public Safety Camera System.

2.56.030 Automated License Plate Reader Data Use

- A. Data will be securely transmitted to the Northern California Regional Intelligence Center ("NCRIC") as part of a multi-jurisdictional public safety program created to assist local, state, federal and tribal public safety agencies and critical infrastructure locations with the collection, analysis, and dissemination of criminal threat information, provided NCRIC has executed an agreement with the City agreeing to comply with the retention/destruction provisions set forth in this section.
- B. Data transmitted to NCRIC from the Police Department shall be kept no more than six months, and then destroyed, unless retention of specific identified license plate data is necessary for an active criminal case or pursuant to a valid court order.
- C. Data may only be accessed by law enforcement personnel who are approved to access the data and who have undergone required NCRIC training for legitimate law enforcement purposes only, such as when the data relates to a specific criminal investigation or department-related civil or administrative action.
- D. Data may be accessed by other NCRIC agencies that have executed a Memorandum of Understanding with NCRIC, but only for legitimate law enforcement purposes and by authorized/trained personnel and only in compliance with all policies, procedures and reporting requirements of NCRIC.
- E. Data may be the released to other non-NCRIC authorized and verified law enforcement officials and agencies for legitimate law enforcement purposes, with approval of the Chief of Police or Police Commander, provided any such official and/or agency has executed an agreement with the City agreeing to comply with the terms and provisions of Sections 2.56.030 and 2.56.040.
- F. All data and images gathered are for official use of the Police Department and because such data may contain confidential California Law Enforcement Telecommunications Systems ("CLETS") information, it is not open to public view or inspection.

2.56.040 Prohibited Use of Automated License Plate Reader and Data

- A. ALPR shall not be used to invade the privacy of individuals, to look into private areas or areas where the reasonable expectation of privacy exists, nor shall they be used to harass, intimidate or discriminate against any individual or group, nor for any purpose not specifically authorized by this Chapter.
- B. Unauthorized access, possession or release of data is a violation of Police Department policy and various federal and state criminal statutes. Any employee, who accesses, possesses or releases data, from the ALPR database without authorization or in violation of this Chapter and such additional policies established by the Police Department, may face department discipline up to and including termination, criminal prosecution and/or civil liability.

2.56.050 Automated License Plate Reader Auditing and Reporting

- A. NCRIC will give a quarterly report to the Police Department which shall indicate the number of license plates captured by the ALPR in the City of Menlo Park, how many of those license plates were “hits” (on an active wanted list), the number of inquiries made by Menlo Park personnel along with the justifications for those inquiries, and information on any data retained beyond six months and the reasons for such retention in compliance with Section 2.56.030B.
- B. Following receipt of the NCRIC report described in subsection A., above, the Police Department shall provide an information report to the City Council.
- C. ALPR system audits will be randomly conducted by the California Department of Justice and in conjunction with yearly CLETS audits.

2.56.060 Public Safety Camera System Data Use

- A. Public safety camera recordings may only be used for the purpose of criminal investigations, detecting and deterring crime, to help emergency services personnel maintain public order, to help manage emergency response situations during natural and man-made disasters, to monitor pedestrian and vehicle traffic activity, to assist in the preparation of traffic accident reports, and to assist City officials in prosecuting and/or defending civil or administrative actions.
- B. Recordings will be made in a professional, ethical and legal manner.
- C. All recordings will be stored by the Police Department in a secure area with access restricted to authorized persons, and shall not be accessible by third parties without express permission.

- D. Recordings not otherwise needed for reasons in subsection A. shall be retained for a period of up to 90 days and then erased or recorded over as limited by the storage capacity of the cameras.
- E. Any recordings needed as evidence in a criminal or civil case proceeding or for another reason specified in subsection A. shall be collected and booked in accordance with current Police Department evidence procedures.
- F. Recordings may only be released to other authorized and verified law enforcement officials and agencies for legitimate law enforcement purposes as specified in subsection A. with approval of the Chief of Police or Police Commander, provided such official or agency executes an agreement with the City agreeing to comply with the terms and provisions of Sections 2.56.060 and 2.76.070, or with a valid court order.
- G. Except as required by a valid court order or other lawful process, recordings do not constitute public records and will not be disclosed to the public.
- H. Facial recognition and cognitive security software may only be used to review recordings from the Public Safety Camera System with the approval of the Chief of Police or Police Commander in specific criminal investigations or specific threats to public safety.

2.56.070 Prohibited Use of Public Safety Camera System and Data

The Public Safety Camera System will not be used to invade the privacy of individuals, to look into private areas or areas where the reasonable expectation of privacy exists. The Public Safety Camera System shall not be used to harass, intimidate or discriminate against any individual or group, nor for any purpose not authorized by this Chapter.

2.56.080 Public Safety Camera System Auditing and Reporting

- A. The Chief of Police or his/her designee will conduct an annual review of the Public Safety Camera System, its use, effectiveness and adherence to policy, including frequency and purpose for use of facial recognition or cognitive security software and frequency and purpose for retention of recordings beyond 90 days, and will provide an annual information report to the City Council regarding such review.

2.56.90 Adoption of Department Policies

The Police Department is directed to adopt policies to be included in its policy manual consistent with the provisions of this Chapter, which policies may be more restrictive, but not less restrictive, than the policies set forth in this Chapter.

SECTION 3. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION. The City Council hereby finds that this ordinance is not subject to the provisions of the California Environmental Quality Act (“CEQA”) because the activity is not a project as defined by Section 15378 of the CEQA Guidelines. The ordinance has no potential for resulting in physical change to the environment either directly or indirectly.

SECTION 4. SEVERABILITY. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 5. EFFECTIVE DATE AND PUBLISHING. This Ordinance shall become effective 30 days after the date of its adoption. Within 15 days of its adoption, the 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 the local newspaper used to publish official notices for the City of Menlo Park prior to the effective date.

INTRODUCED on the 13th day of May, 2014.

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 _____, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Pamela Aguilar
City Clerk

Ray Mueller
Mayor



PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-092

Agenda Item #: D-2

CONSENT CALENDAR: **Authorize the Public Works Director to Accept the Work Performed by Omega Electric to Furnish and Install a New Uninterruptible Power Supply System for the Administration Building**

RECOMMENDATION

Staff recommends that the City Council authorize the Public Works Director to accept the work performed by Omega Electric, Inc. to furnish a new Uninterruptible Power Supply (UPS) System for the Administration Building.

BACKGROUND

On July 16, 2013, the City Council awarded a contract for the project to Omega Electric. The project included removal of the old UPS Unit, battery cabinet, and remote annunciator. In addition, the contractor would supply, install, and bring on line a new UPS system.

ANALYSIS

The work for the removal and replacement of the Administration Building UPS System has been completed in conformance with the plans and specifications.

Contractor:	Omega Electric P.O. Box 26834 San Jose, California 95159
Date of Award:	July 16, 2013
Date of Completion:	April 25, 2014

IMPACT ON CITY RESOURCES

Construction Budget

Project Contract	\$	79,850
Contingency		<u>10,000</u>
Total Contract Cost	\$	89,850

Construction Expenditures

Project Contract	\$ 79,850
Contingency	<u>4,000</u>
Total Contract Cost	\$ 83,850

Contingency funds were used to provide a larger battery cabinet with C&D batteries capable of extending the runtime of protection from the UPS System from 15 to 19 minutes.

POLICY ISSUES

There are no policy issues associated with this action.

ENVIRONMENTAL REVIEW

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

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:
Carl Thomas
Facilities Supervisor

Ruben Niño
Assistant Public Works Director



PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-093

Agenda Item #: D-3

CONSENT CALENDAR: **Award a Contract for the Replacement of the Boiler and Expansion Tank at the Menlo Park Public Library to American Air Conditioning in the Amount of \$74,466 and Authorize a Total Project Budget of \$90,466 for the Equipment, Contingency and Administration**

RECOMMENDATION

Staff recommends that the City Council award a contract to furnish and install a new boiler and Expansion Tank at the Menlo Park Public Library to American Air Conditioning; and authorize the use of the City Buildings (minor) project budget in an amount not to exceed \$90,466 for the equipment, contingency and staff administration.

BACKGROUND

The City of Menlo Park owns and maintains 26 building facilities. The City hired a consultant in 2004 to prepare a City Buildings Infrastructure Study. The study provided information to proactively plan and budget for the replacement and repair of critical building components. The study assessed the long-term projected maintenance costs of major components of City building facilities and enabled staff to manage future maintenance of the facilities by planning for replacement of major systems (HVAC, roof, carpeting, etc.) As a result of the study, the City now includes \$300,000 annually in the Capital Improvement Program budget to address the ongoing maintenance needs of City buildings. One of the projects identified in the study was the repairs/replacement of the Public Library boiler.

The existing boiler was installed in 1991, when the building was remodeled. It provides the domestic building heat needed for the main floor as well as the basement areas. This equipment is 23 years old, well past the end of its useful life, with repair and replacement parts from the equipment manufacturer difficult to obtain.

ANALYSIS

The project was put out to bid at the end of April with a mandatory pre-bid walk through held on April 22, 2014 in which 4 prospective bidders attended. On May 1, 2014, two bids were submitted and opened. The lowest bidder for this project, American Air Conditioning, submitted a bid in the amount of \$74,466. Attachment A provides the bid

summary. Staff has checked the background and references of American Air Conditioning and is satisfied with its past performance.

The proposed new boiler is a high efficiency boiler with an 85% efficiency rating, compared to approximately low 70% rating of the existing one. The new boiler also has industry-leading NOx levels of less than 10 ppm which addresses greenhouse gas emission levels concerns. Because of the new boilers efficiency, the City is eligible for a PG&E rebate; the amount of the rebate will be calculated by PG&E and is based on the specifications of the equipment.

IMPACT ON CITY RESOURCES

The construction contract budget for replacement of the Boiler and Expansion Tank at the Menlo Park Public Library consists of the following:

New Boiler System and installation	\$74,466
Staff Administration	7,000
Contingency	<u>9,000</u>
Total budget	\$90,466

There are sufficient funds under the City Buildings (Minor) project budget to fund this project.

POLICY ISSUES

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

ENVIRONMENTAL REVIEW

The project is categorically exempt under Class I of the current State of California Environmental Quality Act Guidelines, which allows minor alterations and replacement of existing facilities.

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. Bid Summary

Report prepared by:
Carl Thomas
Facilities Supervisor

Ruben Nino
Assistant Director of Public Works



**Menlo Park Public Library
Boiler Replacement Project**

Bid Results

Thursday, May 1, 2014

	<i>COMPANY</i>	<i>BID AMOUNT</i>
1	American Air Conditioning	\$74,466
2	Bay City Boiler	\$85,835

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-094

Agenda Item #: D-4

CONSENT CALENDAR: **Adopt a Resolution Accepting Dedication of a Storm Drainage Easement at 20 Kelly Court and Authorize the City Manager to Sign the Certificate of Acceptance for the Easement**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution (Attachment A) accepting dedication of a Storm Drainage Easement at 20 Kelly Court and authorize the City Manager to sign the certificate of acceptance for the easement.

BACKGROUND

In 2012, the City approved a Conditional Development Permit for CS Bio at 1 and 20 Kelly Court allowing the demolition of the existing building located at 1 Kelly Court and partial demolition of the building located at 20 Kelly Court in order to expand the building at 20 Kelly Court into one larger structure totaling 37,428 square feet. The Conditions of Approval for the project included construction of frontage improvements including all new curb, gutter, sidewalk, driveways and the reconstruction of an existing storm drainage pipe that provides drainage for Kelly Court through the applicant's private property to the O'Brien Ditch.

ANALYSIS

As a condition of the use permit, the applicant was required to reconstruct frontage improvements that altered the alignment of the storm drainage pipe through the property to an existing outfall in the O'Brien Ditch. The existing storm drainage pipe was constructed without an easement, which is being corrected through this action. Since a portion of the reconstructed storm drainage pipe is located within the applicant's private property, a Storm Drainage Easement is required to allow the City to operate and maintain the storm drainage pipe. The easement dedication is shown in Attachment B.

All improvements have been constructed. Acceptance and recordation of the easement dedication is a condition of final inspection for the project and for occupancy of the building.

IMPACT ON CITY RESOURCES

The staff time associated with review and acceptance of the easement dedication is fully recoverable through fees collected from the applicant.

POLICY ISSUES

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

ENVIRONMENTAL REVIEW

Environmental review is not required for this action. The project was found to be categorically exempt under Class 32 (Section 15332, "In-Fill Development Projects") of the current California Environmental Quality Act (CEQA) by City Council on November 27, 2012.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Resolution
- B. Storm Drainage Easement

Report prepared by:
Roger Storz
Senior Civil Engineer

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
ACCEPTING A STORM DRAINAGE EASEMENT AND AUTHORIZING
THE CITY MANAGER TO SIGN THE CERTIFICATE OF ACCEPTANCE
FOR 20 KELLY COURT

WHEREAS, the 20 Kelly Court Frontage Improvements Project consists of construction of new concrete curb, gutter, driveways and sidewalk along 20 Kelly Court; and

WHEREAS, the Project includes the reconstruction of a storm drainage pipe through the property between the terminus of Kelly Court and the O'Brien Ditch; and

WHEREAS, the reconstructed storm drainage pipe is located within the applicant's private property requiring a Storm Drainage Easement to allow the City to operate and maintain the storm drainage pipe.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby accepts the required Storm Drainage Easement along the southerly portion of the property at 20 Kelly Court and attached hereto as Exhibit A and incorporated herein by this reference; and

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

I, PAMELA I. AGUILAR, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the third day of June, 2014 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park on this third day of June, 2014.

Pamela I. Aguilar
City Clerk

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RECORDING REQUESTED BY

CCS Management LLC
20 Kelly Court
Menlo Park, CA 94025

WHEN RECORDED MAIL TO

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

STORM DRAINAGE EASEMENT

CCS Management LLC (hereinafter "Grantor") is the owner of certain real property situated in the City of Menlo Park, County of San Mateo, California, and more commonly known as 1 & 20 Kelly Court, Assessor Parcel Numbers 055-433-130 & 055-433-240 (hereafter referred to as the "Servient Tenement").

Grant of Easement

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Grantor hereby grants to the City of Menlo Park, a municipal corporation, in the County of San Mateo, State of California ("Grantee") an easement to construct, install, maintain, repair, renew, replace, operate and use a storm sewer pipe line or lines and appurtenances, of any size or material, in, upon, over and/or through a portion of the Servient Tenement being that certain real property ("Property") situated in said City of Menlo Park and more particularly described and shown in Exhibit A and B, attached hereto and incorporated herein by this reference.

Term

This easement is granted in perpetuity.

Maintenance

Grantor is responsible for maintaining and repairing the Property, including all surface improvements, while Grantee is responsible for maintaining the public storm drainage facilities within the easement.


Nonexclusive Easement

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

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

Dated May 19 2014

CCS Management LLC

By: 
Jason Yowei Chang
Property Owner

State of California

County of Alameda

On May 19, 2014 before me, Melissa Davis, a notary public, personally appeared Jason Yowei Chang who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Melissa Davis (Seal)

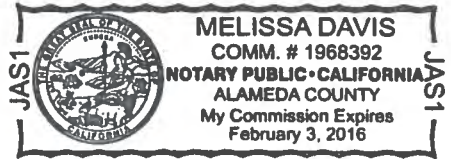


EXHIBIT A

STORM DRAIN EASEMENT

A 10.00 foot wide strip of land through the lands of CCS Management, LLC, as described in the Notice of Merger recorded September 13, 2013 as Document number 2013-133567 in Official Records of the County of San Mateo, State of California, the centerline of which strip being more particularly described as follows:

Beginning at a point on the easterly line of the above said lands, which point lies North 9°52'44" East, 21.00 feet from the southeast corner of said lands; thence running North 80°07'16" West, 130.36 feet to the westerly line of said lands, said westerly line also being the easterly line of Kelly Court as shown on that certain Record of Survey filed October 17, 1962 in Volume 5 of L.L.S. Maps at Page 41, Records of the County of San Mateo.

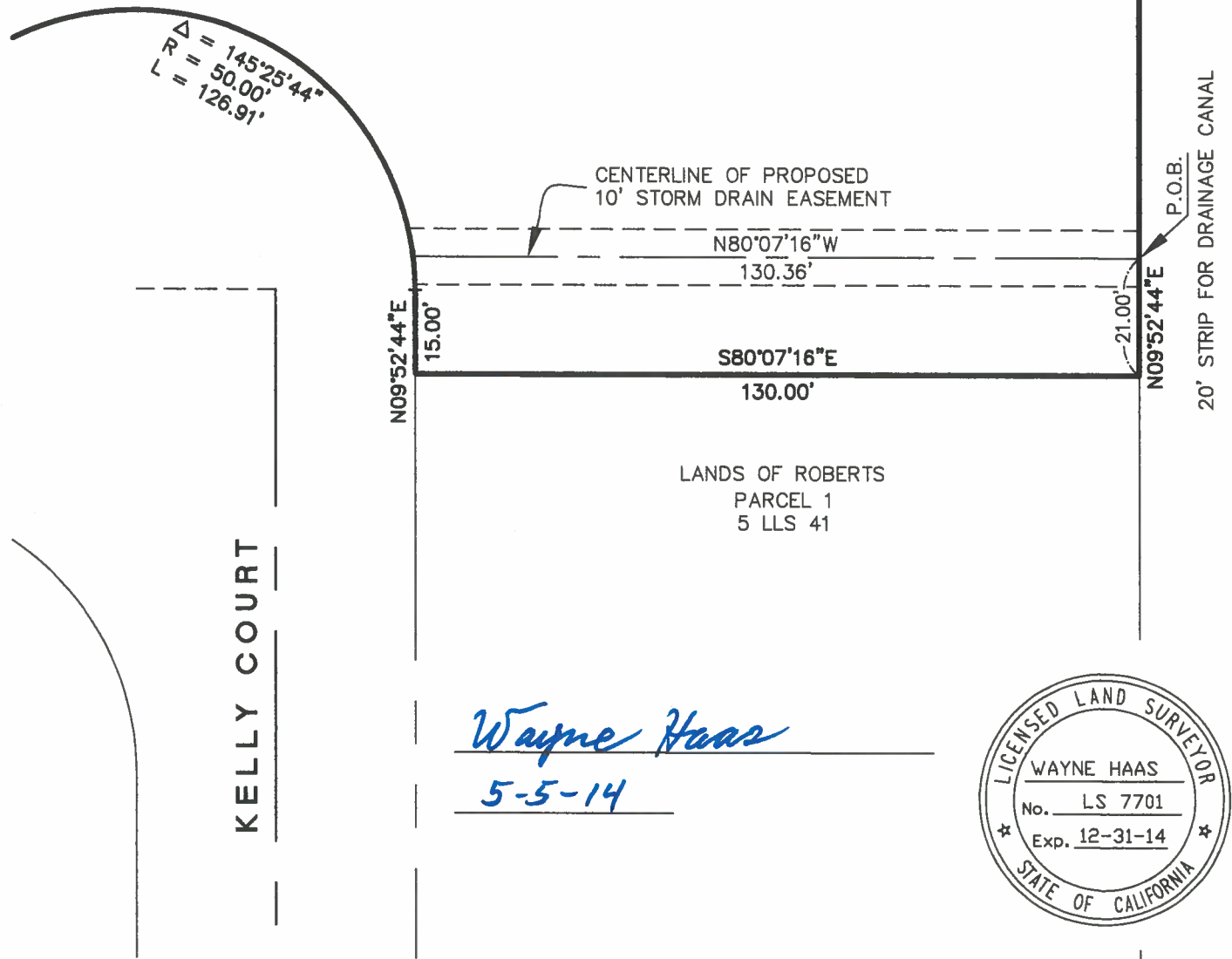
Wayne Haas
5-5-14



EXHIBIT B



DOCUMENT # 2013-133567 O.R.



KELLY COURT

Wayne Haas

 5-5-14



B & H SURVEYING, INC.				901 WALTERMIRE ST., BELMONT, CA 94002 (650) 637-1590			
TITLE: PROPOSED STORM DRAIN EASEMENT							
CITY: MENLO PARK				COUNTY: SAN MATEO COUNTY CALIFORNIA			
SURV:		SCALE: 1" = 30'		FOR: 1 & 20 KELLY COURT		JOB NO. 6138-12	
PLAT: W.H.		DATE: JUNE, 2013				DWG NO. 6138-SD-ESMT	
PAGE 61							

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PUBLIC WORKS DEPARTMENT

**Council Meeting Date: June 3, 2014
Staff Report #: 14-097**

Agenda Item #: D-5

CONSENT CALENDAR: **Authorize the Public Works Director to Accept the Work Performed by Bear Electrical Solutions, Inc. for the Oak Grove Avenue and Merrill Street Intersection In-Pavement Lighted Crosswalk Project**

RECOMMENDATION

Authorize the Public Works Director to accept the work performed by Bear Electrical Solutions, Inc. for the Oak Grove Avenue and Merrill Street Intersection In-Pavement Lighted Crosswalk Project.

BACKGROUND

On December 10, 2013, the City Council awarded a contract for the Oak Grove Avenue and Merrill Street Intersection In-Pavement Lighted Crosswalk Project to Bear Electrical Solutions, Inc. The project consisted of the installation of one (1) lighted crosswalk system and ADA (Americans with Disabilities Act) curb ramp improvements at the intersection of Oak Grove Avenue with Merrill Street.

ANALYSIS

The project enhanced the pedestrian and bicycle safety at the intersection of Oak Grove Avenue and Merrill Street by installing an in-pavement lighted crosswalk system at this intersection, while complying with ADA requirements for intersection improvements. All work was deemed complete and in accordance with the plans and specifications.

The project was completed within the approved project budget.

Contractor: Bear Electrical Solutions, Inc.
 1341 Archer Street
 Alviso, CA 95002

IMPACT ON CITY RESOURCES

Construction Budget

Construction contract amount	\$ 30,110.00
Contingency (10%)	\$ 3,011.00
Total Construction Budget	\$ 33,121.00

Construction Expenditures

Construction contract budget	\$ 33,121.00
Construction contract expenditures	29,582.50
Balance remaining	\$ 3,538.50

The City will be reimbursed by the Federal Government in the amount of \$49,500 for the construction and design phase of this project, broken down as follows:

Design Engineering:	\$ 5,500.00
Inspection and Project Management:	4,520.00
Construction Contract:	29,582.50
City Furnished Material:	19,953.00
Total Project Cost:	\$ 59,555.50
Transportation Impact Fee:	- 10,055.50
Federal Funds:	\$ 49,500.00

POLICY ISSUES

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

ENVIRONMENTAL REVIEW

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

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:
René Baile
Transportation Engineer

Jesse Quirion
Transportation Manager



PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-098

Agenda Item #: D-6

CONSENT CALENDAR:

Authorize the City Manager to Execute a Funding Agreement Among the San Francisquito Creek Joint Powers Authority and its Member Agencies for Construction of The San Francisquito Creek Flood Reduction, Ecosystem Restoration and Recreation Project from San Francisco Bay to Highway 101

RECOMMENDATION

Staff recommends that the Menlo Park City Council Authorize the City Manager to Execute the attached funding agreement with the San Francisquito Creek Joint Powers Authority (SFCJPA) and its member agencies for the funding of construction of the San Francisquito Creek Flood Reduction, Ecosystem Restoration and Recreation Project San Francisco Bay to Highway 101 (Attachment A), referred to as the San Francisco Bay to Highway 101 Project here forth.

BACKGROUND

San Francisquito Creek is the dividing line between San Mateo and Santa Clara Counties and is bordered by the cities of Palo Alto, Menlo Park and East Palo Alto. The creek can cause severe flood damage with very little warning and has overflowed seven times since 1910. During the February 1998 El Niño event (approximately a 45-year event), caused record flooding closing Highway 101 and several local roads, and flooded homes that resulted in an estimated \$28 million in damages in Palo Alto, East Palo Alto and Menlo Park. The largest flood on record occurred in December of 1955 when the creek overtopped its banks in several locations, inundating about 1,200 acres of commercial and residential property. Damages resulting from this flood event were estimated at nearly \$2 million in 1956 dollars. Total damages from a one percent (100-year) flood event are estimated at \$300 million in Santa Clara and San Mateo Counties, as calculated by the United States Army Corps of Engineers (USACE) in 2011.

Following the historical flood event of 1998, the cities of Palo Alto, Menlo Park, and East Palo Alto, the San Mateo County Flood Control District, and the Santa Clara Valley Water District joined together to create the SFCJPA. The SFCJPA and its member agencies have been working cooperatively to implement a series of projects to provide flood protection for local residents. The SFCJPA has been seeking to compile the funds

needed to implement its planned capital projects through a combination of federal (USACE), state, and local funding sources. Although federal dollars have proved to be elusive to-date, the SFCJPA has identified state and local funding that will pay for the following set of flood protection improvements:

San Francisco Bay to Highway 101

The SFCJPA’s first major construction-ready capital improvement project will provide 100-year flood protection from creek flooding for the communities of East Palo Alto and Palo Alto along San Francisquito Creek between San Francisco Bay and Highway 101. This portion of the creek is at a high risk of severe flooding from flows coming down the creek from the hills, with the extent of flooding influenced significantly by concurrent tide levels in the Bay. The San Francisco Bay to Highway 101 Project is the necessary first step in an overall plan to provide protection to properties located within the flood-prone areas of the San Francisquito Creek watershed. Work upstream of Highway 101 cannot be undertaken until the creek’s capacity has been increased downstream, because before more water can be allowed to flow down the creek, the downstream reaches of the creek need to be expanded to accommodate the higher flow rates. The scope of this project will include construction of setback levees and floodwalls from San Francisco Bay to Highway 101 that will provide 100-year flood protection.

ANALYSIS

Multi-Agency Funding Agreement for the San Francisco Bay to Highway 101 Project

The SFCJPA, including representatives of the cities of Palo Alto, Menlo Park, and East Palo Alto, the San Mateo County Flood Control District, and the Santa Clara Valley Water District, have agreed on the terms of a funding plan to pay for the construction of the San Francisco Bay to Highway 101 Project. The estimated construction cost of the project is listed in Table 1, showing cost obligation by agency for this funding agreement.

Table 1: San Francisco Bay to Highway 101 -- Construction Funding Sources

S.F. Bay to Highway 101	Funding Sources	Amount
	East Palo Alto	\$0.8M
	San Mateo County	\$0.8M
	SCVWD	\$27.95M
	SFCJPA	\$7.85M
	Estimated Project Cost	\$37.4M

The SFCJPA has completed the design work and the Environmental Impact Report for the San Francisco Bay to Highway 101 Project. Construction of the project should begin later this summer, pending receipt of regulatory permits from the Regional Water Quality Control Board, the US Army Corps of Engineers, California Department of Fish & Wildlife and the Bay Conservation and Development Commission. The SFCJPA and its member agencies have drafted a funding agreement for construction of the San Francisco Bay to Highway 101 Project, which each agency has agreed to present to its

respective governing body for approval.

Staff recommends that Council approve the attached multi-agency funding agreement for construction of the San Francisco Bay to Highway 101 Project (Attachment A).

Next Steps:

San Francisco Bay to Highway 101

Plans and Specifications are in final draft and being reviewed by the project team. It is anticipated that the project will receive environmental permits and complete all necessary real estate transactions by July 2014.

The Santa Clara Valley Water District staff will submit an agenda item to its Board to adopt plans and specifications and authorize advertisement for bids for the San Francisco Bay to Highway 101 Project. The project team anticipates that the contract can be awarded by late summer 2014.

Upstream of Highway 101

Projects upstream of Highway 101 are undergoing environmental review through the CEQA process. After the Final EIR is certified by the SFCJPA Board, the SFCJPA and member agencies will have the opportunity to approve a future funding agreement for construction of “the project elements that implement the preferred project within the EIR.”

IMPACT ON CITY RESOURCES

This is a regional project that staff anticipates participation, and has budgeted staff time in the approved CIP Budget. The City of Menlo Park is not committing funds for the San Francisco Bay to Highway 101 Project with this action. However, it is anticipated future funding will be requested in the amount of \$500,000 for the “Upstream of Highway 101 Project.”

POLICY ISSUES

This project is consistent with policies established in Chapter 12.42 of the Municipal Code, Flood Damage Prevention.

ENVIRONMENTAL REVIEW

This Council action is not subject to the current California Environmental Quality Act Guidelines. The SFCJPA certified the *Final Environmental Impact Report for the San Francisquito Creek Flood Reduction, Ecosystem Restoration, and Recreation Project from San Francisco Bay to Highway 101* as the Lead Agency under CEQA in October 2012. In March 2013, the SFCJPA prepared an Addendum to the Final EIR to evaluate environmental effects associated with long fin smelt. The City of Menlo Park is not the

responsible agency for this project EIR, and is not committing funds for this project with this action.

PUBLIC NOTICE

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

ATTACHMENT

- A. Funding Agreement Among The San Francisquito Creek Joint Powers Authority, the Santa Clara Valley Water District, The San Mateo County Flood Control District, The City of Palo Alto, The City of Menlo Park, and The City of East Palo Alto for Construction of The San Francisquito Creek Flood Reduction, and Recreation Project San Francisco Bay to Highway 101

Report prepared by:

Fernando G. Bravo, P.E., CFM
Engineering Services Manager

**AGREEMENT AMONG THE SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY,
THE SANTA CLARA VALLEY WATER DISTRICT,
THE SAN MATEO COUNTY FLOOD CONTROL DISTRICT,
THE CITY OF PALO ALTO, THE CITY OF MENLO PARK, AND THE CITY OF EAST PALO
ALTO
FOR FUNDING CONSTRUCTION OF
THE SAN FRANCISQUITO CREEK FLOOD REDUCTION,
ECOSYSTEM RESTORATION, AND RECREATION PROJECT
SAN FRANCISCO BAY TO HIGHWAY 101**

This Agreement (“Agreement”) is made and entered into as of the date it is fully executed by and between the SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY (“Authority”), a California joint powers authority, the SANTA CLARA VALLEY WATER DISTRICT (“Water District”), a special district of the State of California, the San Mateo County Flood Control District, a special district of the State of California (“Flood District”), the CITY OF PALO ALTO (“Palo Alto”), the CITY OF EAST PALO ALTO (“East Palo Alto”), and the CITY OF MENLO PARK (“Menlo Park”), collectively referred to as “the Parties” or individually as “Party.” The effective date of this Agreement will be the last date that this Agreement is executed by the Parties.

The purpose of this Agreement is to define the roles and responsibilities of the Parties for funding construction of the San Francisquito Creek Flood Reduction, Ecosystem Restoration, and Recreation Project, San Francisco Bay to Highway 101 (“Project”).

R E C I T A L S

- A. San Francisquito Creek (“Creek”) has a history of flooding the communities in and around East Palo Alto, Menlo Park and Palo Alto, most recently in December 2012, impacting residential properties adjacent to the Creek.
- B. Following the severe flood in February 1998, East Palo Alto, Menlo Park, and Palo Alto along with the Flood District and the Water District formed the Authority on May 18, 1999. These entities are all full members of the Authority. The Authority was authorized to represent its member agencies as the local sponsor for a U.S. Army Corps of Engineers’ (“Corps”) San Francisquito Creek flood control project on May 23, 2002.
- C. In March 2005 the Corps, working with the Authority, completed a reconnaissance study for the Creek. The reconnaissance study results indicated a Federal Interest in developing a flood control project for San Francisquito Creek. Therefore, the Corps has engaged in the feasibility study (“Study”) phase of the San Francisquito Creek Flood Damage Reduction and Ecosystem Restoration Project (“FDRER”) which requires a Feasibility Cost Share Agreement with a local sponsor.
- D. The Authority entered into a Feasibility Cost Share Agreement (“FCSA”) with the San Francisco District of the Corps for the Study on the Creek. The Corps, pursuant to the FCSA, is developing a project to evaluate flood protection and ecosystem restoration opportunities within the San Francisquito Creek Watershed in Santa Clara and San Mateo Counties. At the conclusion of the Study, the Corps will issue a Federally

Preferred Plan, which will detail the pre-design actions to be taken to complete the FDRER.

- E. The Corps' ability to complete the Study has been impacted by unanticipated delays due to federal funding constraints and Corps' processes.
- F. Due to the Corp's delay in completing the Feasibility Study and the Member Agencies' desire to begin addressing the risk of flooding in their jurisdictions, the Authority and Member Agency staff conducted a process of evaluating alternatives for an initial capital project and recommended a preferred alternative with conceptual design drawings to the Authority Board of Directors for consideration.
- G. On July 23, 2009, the Authority's Board of Directors unanimously approved the staff's recommended Project and authorized its Executive Director to pursue funding opportunities and to contract with qualified consultants to perform 1) planning and design services and 2) environmental impact assessment and planning for the Project.
- H. The Authority, the Water District, and the Flood District entered into an agreement on November 3, 2009 to fund the design and environmental documentation of the Project.
- I. The Authority hired a design engineering firm and an environmental consulting firm to prepare design documents and an Environmental Impact Report ("EIR") for the Project.
- J. The final EIR was certified by the Authority on October 25, 2012. The Notice of Determination (NOD) was filed by the Authority with the County of Santa Clara, Office of the Clerk/Recorder and by the County of San Mateo Office of the Recorder, on July 30, 2013.
- K. East Palo Alto will contribute \$800,000 towards Project costs.
- L. In November 2012, the voters of Santa Clara County approved Measure B, the Water District's Safe, Clean Water initiative which will provide significant funding toward the Project costs. The District will contribute approximately \$28 million toward Project costs from its Safe, Clean Water program and other sources.
- M. On January 9, 2013, the Authority entered into an Agreement with the State of California, Department of Water Resources (DWR) for \$8 million in grant funding from DWR's Stormwater Flood Management Program to be applied towards Project costs.
- N. The Flood District will contribute \$800,000 toward Project costs. The Flood District's financial contribution will be in an amount equal to the financial contribution made by East Palo Alto.
- O. The City of Menlo Park and the City of Palo Alto are not financially contributing toward the Project costs, however, construction of the Project directly benefits the City of Menlo Park as its completion is necessary to accommodate future flood protection measures located in Menlo Park, upstream of the Project, which may be constructed in the future. In addition, Palo Alto is impacted by the Project because realignment of a portion of its municipal golf course may be necessary to accommodate various flood protection construction elements of this Project.

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- P. For the purpose of this Agreement, funding from East Palo Alto, the Flood District, the Authority, and any future funds from other sources, contributed toward Project costs, shall be referred to as “Non Water District Funds.”
- Q. The Water District and the Authority intend to enter into a Construction Management Agreement designating the Water District as the entity responsible for managing construction of the Project.
- R. The Parties desire to enter into this Agreement to provide for reimbursement of Water District expenditures towards construction of the Project from funding that may become available through Non Water District Funds

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions in the sections contained herein below, the Parties agree as follows:

PROVISIONS

1. Project Purposes

The Project’s purposes are to improve flood protection, restore the ecosystem, and provide recreational opportunities within the Project’s reach, with the following specific objectives: 1) protect properties and infrastructure between Highway 101 and the San Francisco Bay from San Francisquito Creek flows resulting from 100 year flood events in conjunction with a 100-year tide, including projected Sea Level Rise; 2) accommodate future flood protection measures upstream of the Project that may be constructed; 3) enhance habitat along the Project reach, particularly habitat for threatened and endangered species; 4) enhance recreational uses; and 5) minimize operational and maintenance requirements.

2. Funding Amounts

Construction of the Project is currently estimated to cost approximately \$37.45 million. Based on this estimate, the Parties agree to contribute the following amounts toward these costs.

A. Non Water District Funds

1. The Authority will provide Project funding in the currently estimated amounts as stated below. The Authority will provide to the Water District documentation of all listed expenses incurred and paid for by the Authority.

- a) \$3,000,000 to the City of Palo Alto to mitigate for impacts to the City of Palo Alto Municipal Golf Course;
- b) \$50,000 for other mitigation activities;
- c) \$2,700,000 to Pacific Gas and Electric Company to relocate gas and electric transmission lines;
- d) \$400,000 to the East Palo Alto Sanitary District to relocate a sewer line;
- e) \$100,000 for property acquisition within East Palo Alto;
- f) \$150,000 DWR grant administration costs incurred by the Authority;

g) \$1,450,000 remaining balance of DWR grant funds after the Authority pays for all costs listed in a) – f) above. The remaining balance will be remitted to the Water District as partial reimbursement of its construction costs.

2. East Palo Alto: \$800,000.

3. Flood District: \$800,000 (matching East Palo Alto's contribution of \$800,000 currently identified from Non Water District Funds).

B. Water District Funds

The Water District will expend an amount not to exceed \$28,000,000 for expenditures incurred in constructing the Project.

3. Method and Timing of Transactions

A. Water District shall prepare and submit quarterly invoice packages to the Authority. Water District's Quarterly invoice packages will include Project progress reports and all other documentation required by DWR sufficient to enable the Authority to submit subsequent funding requests to DWR for grant funding reimbursement.

B. Authority shall submit a request for grant fund reimbursement to DWR within 15 days of receipt of invoice packages from Water District, provided all DWR-related invoicing requirements are met. To the extent funds are available after the Authority pays for all costs itemized in paragraph #2. A. a) through f) above, the Authority will issue payment to the Water District for costs of construction managed by the Water District within thirty days of receipt of grant funds from DWR.

C. Non Water District Funds contributed by East Palo Alto and the Flood District will be remitted to the Water District within one hundred and eighty days (180) after a construction contract is awarded by the Water District's Board of Directors.

4. Mutual Hold Harmless

Mutual Hold Harmless and Indemnification Obligations

A. In lieu of and notwithstanding the pro rata risk allocation, which might otherwise be imposed between the Parties pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a Party shall not be shared pro rata but, instead, the Member Agencies agree that, pursuant to Government Code Section 895.4, each of the Parties hereto shall fully indemnify and hold each of the other Parties, their officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying Party, its officers, employees, or agents, under or in connection with or arising out of any work, authority, or jurisdiction delegated to such party under this Agreement. No Party, nor any officer, board member, or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of the another party hereto, its officers,

board members, employees, or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other Party under this Agreement. The obligations set forth in this paragraph will survive termination and expiration of this Agreement.

- B. In the event of concurrent intentional or unintentional misconduct, negligent acts or omissions by any one of the Parties (or each of their respective officers, directors and/or employees), then the liability for any and all claims for injuries or damages to persons and/or property which arise out of each and any of their performance of the terms and conditions of this Agreement shall be apportioned according to the California law of comparative negligence. The Parties hereto are not jointly and severally liable on any liability, claim, or lawsuit.
- C. The construction contract and bid documents will require the construction contractor to agree to appropriate indemnity provisions allowable by law to protect the Parties, and to secure and maintain in full force and effect all times during construction of the Project and until the Project is accepted by the Parties, general liability and property damage insurance, business automobile insurance and such other insurance as the Parties deem appropriate, in forms and limits of liability acceptable to the Parties, naming Water District, Authority and each of its Member Agencies and their respective directors, council members, officers, employees and agents as additional insureds from and against all damages and claims, losses, liabilities, costs or expenses arising out of or in any way connected to the construction of the Project.
- D. The duties and obligations of this Section will survive and continue in full force and effect after the termination or expiration this Agreement.

5. Retention of Records, Right to Monitor and Audit

Unless a longer period of time is required by law or federal or state grant funding agreements, the Parties shall maintain all financial records related to this Agreement and/or the Project for five (5) years after the Agreement expires or is terminated earlier pursuant to Section 7 of this Agreement. The records shall be subject to the examination and/or audit of either Party.

6. Agreement Term

This Agreement shall commence on the Effective Date and remain in place until the construction of the Project is completed and accepted by the Parties, or this Agreement is terminated earlier by the Parties in the manner authorized by Section 7. Termination.

7. Termination

- A. If any Party fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, any other Party may terminate this Agreement but only after giving written notice of the failure of performance to the Party committing the failure with a copy of such notice given to all other Parties. Such notice shall explain the alleged failure of performance and provide a reasonable opportunity for the failure to be cured which in no case will be less

than 30 days. If the failure of performance is not satisfactorily cured within the cure period, the Agreement may be terminated upon the delivery of a written notice of termination to all of the Parties.

- B. A final notice of termination may be given only after completion of the notice and cure process described in Section 7.A. and only with the approval of the governing body of the Party terminating the Agreement.
- C. In event of termination, each Party shall deliver to all of the other Parties, upon request, copies of reports, documents, and other work performed by any Party under this Agreement. The cost of work performed under this Agreement to the date of termination shall be due and payable in accordance with the provisions of this Construction Funding Agreement to be executed by the Parties prior to Water District's commencement of the bid process for award of a construction contract for the Project.
- D. Notwithstanding the foregoing, after the Water District awards a construction contract for the Project, this Agreement may only be terminated by the mutual written agreement of all of the Parties approved by the governing body of each Party.
- E. The Chief Executive Officer of the Water District and the Executive Director of Authority are empowered to terminate this Agreement on behalf of their respective agencies in accordance with the provisions of this Agreement.

8. Notices

Any notice or other communication required or permitted to be given hereunder shall not be effective unless it is given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, or (c) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and addressed to the parties at the addresses stated below, or at such other address as either party may hereafter notify the other parties in writing:

Authority: San Francisquito Creek Joint Powers Authority
615-B Menlo Avenue
Menlo Park, California 94025
Attention: Len Materman, Executive Director
len@sfcjpa.org

Water District: Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, California 95118
Attention: Beau Goldie, Chief Executive Officer
bgoldie@valleywater.org

Palo Alto City of Palo Alto
250 Hamilton Avenue
P.O. Box 10250

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May 23, 2014

Palo Alto, CA 94303
Attention: James Keene, City Manager
james.keene@cityofpaloalto.org

East Palo Alto
City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303
Attn: Magda Gonzalez, City Manager
mgonzalez@cityofepa.org

Menlo Park
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
Attention: Alex McIntyre, City Manager
admccintyre@menlopark.org

Flood Control District
Department of Public Works
555 County Center, 5th Floor
Redwood City, CA 94063
Attention: James Porter, Director
jporter@smcgov.org

Service of any such notice or other communications so made shall be deemed effective on the day of actual delivery (whether accepted or refused) as evidenced by: a) confirmed in-person delivery by the addressee or other representative of the Party authorized to accept delivery on behalf of the addressee, b) as shown by the addressee's return receipt if by certified mail, or c) as confirmed by the courier service if by courier; provided, however, that if such actual delivery occurs after 5:00 p.m. (local time where received) or on a non-business day, then such notice or demand so made shall be deemed effective on the first business day immediately following the day of actual delivery. No communications via electronic mail shall be effective to give any notice, request, direction, demand, consent, waiver, approval or other communications hereunder.

9. Severability

In the event any portion of this Agreement is declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be severed from this Agreement and the remaining parts hereof shall remain in full force and effect as fully as though such invalid, illegal or unenforceable portion had never been part of this Agreement.

10. Governing Law and Compliance with Laws

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The parties agree that California law governs this Agreement. In the performance of this Agreement each Party will comply with all applicable laws, ordinances, codes and regulations of the federal, state, and applicable local government.

11. Venue

In the event that suit shall be brought by any party to this contract, the parties agree that venue shall be exclusively vested in the state courts of either the County of Santa Clara, or the County of San Mateo or where otherwise appropriate, exclusively in the United States District Court, Northern District of California.

12. Assignability and Subcontracting

Parties shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required under this Agreement without the prior written consent of the other parties. Any unauthorized attempt by any Party to so assign or transfer shall be void and of no effect. Notwithstanding the foregoing, a Party may hire a consultant to fulfill its obligations under Section 3 of this Agreement.

13. Ownership of Materials

All reports, documents, or other materials developed or discovered by any Party or any other person engaged directly or indirectly by any Party to perform the services required hereunder shall be and remain the mutual property of Authority and Water District without restriction or limitation upon their use.

14. Entire Agreement

This Agreement constitutes the entire Agreement between the Authority and the Water District with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral and written. This Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by authorized representatives of the Authority and Water District.

15. Further Actions

The Authority and Water District agree to execute all instruments and documents, and to take all actions, as may be reasonably required to consummate the transactions contemplated by this Agreement.

16. Counterparts

This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

17. Non Waiver

SFC San Francisco Bay to Highway 101
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May 23, 2014

A Party's waiver of any term, condition, or covenant, or breach of any term, condition or covenant will not be construed as a waiver of any other term, condition or covenant.

18. Third Parties

This Agreement is entered into only for the benefit of the Parties executing this Agreement and not for the benefit of any other individual, entity, or person.

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**AGREEMENT AMONG THE SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY,
THE SANTA CLARA VALLEY WATER DISTRICT,
THE SAN MATEO COUNTY FLOOD CONTROL DISTRICT,
THE CITY OF PALO ALTO, THE CITY OF MENLO PARK, AND THE CITY OF EAST PALO
ALTO
FOR THE FUNDING OF CONSTRUCTION OF
THE SAN FRANCISQUITO CREEK FLOOD REDUCTION,
ECOSYSTEM RESTORATION, AND RECREATION PROJECT
SAN FRANCISCO BAY TO HIGHWAY 101**

IN WITNESS WHEREOF, the San Francisquito Creek Joint Powers Authority has executed this Funding Agreement as of the date and year stated below.

Each Party has executed a separate signature page.

APPROVED AS TO FORM:

San Francisquito Creek Joint Powers Authority

By: _____
Greg Stepanicich
Title: SFCJPA General Counsel

By: _____
Len Materman
Title: Executive Director

Date: _____

Date: _____

**AGREEMENT AMONG THE SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY,
THE SANTA CLARA VALLEY WATER DISTRICT,
THE SAN MATEO COUNTY FLOOD CONTROL DISTRICT,
THE CITY OF PALO ALTO, THE CITY OF MENLO PARK, AND THE CITY OF EAST PALO
ALTO
FOR THE FUNDING OF CONSTRUCTION OF
THE SAN FRANCISQUITO CREEK FLOOD REDUCTION,
ECOSYSTEM RESTORATION, AND RECREATION PROJECT
SAN FRANCISCO BAY TO HIGHWAY 101**

IN WITNESS WHEREOF, the Santa Clara Valley Water District has executed this Funding Agreement as of the date and year stated below.

Each Party has executed a separate signature page.

APPROVED AS TO FORM:

Santa Clara Valley Water District

By: _____
Leslie Orta
Title: Senior Assistant District Counsel
Office of the District Counsel

By: _____
Tony Estremera
Title: Chair/Board of Directors

Date: _____

Date: _____

ATTEST: MICHELE L. KING, CMC

Clerk/Board of Directors

**AGREEMENT AMONG THE SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY,
THE SANTA CLARA VALLEY WATER DISTRICT,
THE SAN MATEO COUNTY FLOOD CONTROL DISTRICT,
THE CITY OF PALO ALTO, THE CITY OF MENLO PARK, AND THE CITY OF EAST PALO
ALTO
FOR THE FUNDING OF CONSTRUCTION OF
THE SAN FRANCISQUITO CREEK FLOOD REDUCTION,
ECOSYSTEM RESTORATION, AND RECREATION PROJECT
SAN FRANCISCO BAY TO HIGHWAY 101**

IN WITNESS WHEREOF, the City of Palo Alto has executed this Funding Agreement as of the date and year stated below.

Each Party has executed a separate signature page.

APPROVED AS TO FORM:

City of Palo Alto

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**AGREEMENT AMONG THE SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY,
THE SANTA CLARA VALLEY WATER DISTRICT,
THE SAN MATEO COUNTY FLOOD CONTROL DISTRICT,
THE CITY OF PALO ALTO, THE CITY OF MENLO PARK, AND THE CITY OF EAST PALO
ALTO
FOR THE FUNDING OF CONSTRUCTION OF
THE SAN FRANCISQUITO CREEK FLOOD REDUCTION,
ECOSYSTEM RESTORATION, AND RECREATION PROJECT
SAN FRANCISCO BAY TO HIGHWAY 101**

IN WITNESS WHEREOF, the City of East Palo Alto has executed this Funding Agreement as of the date and year stated below.

Each Party has executed a separate signature page.

APPROVED AS TO FORM:

City of East Palo Alto

By: _____
John Nagel
Title: City Attorney

By: _____
Print Name: _____
Title: _____

Date: _____

Date: _____

**AGREEMENT AMONG THE SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY,
THE SANTA CLARA VALLEY WATER DISTRICT,
THE SAN MATEO COUNTY FLOOD CONTROL DISTRICT,
THE CITY OF PALO ALTO, THE CITY OF MENLO PARK, AND THE CITY OF EAST PALO
ALTO
FOR THE FUNDING OF CONSTRUCTION OF
THE SAN FRANCISQUITO CREEK FLOOD REDUCTION,
ECOSYSTEM RESTORATION, AND RECREATION PROJECT
SAN FRANCISCO BAY TO HIGHWAY 101**

IN WITNESS WHEREOF, the City of Menlo Park has executed this Funding Agreement as of the date and year stated below.

Each Party has executed a separate signature page.

APPROVED AS TO FORM:

City of Menlo Park

By: _____
William L. McClure

By: _____
Print Name: _____

Title: City Attorney

Title: _____

Date: _____

Date: _____

**AGREEMENT AMONG THE SAN FRANCISQUITO CREEK JOINT POWERS AUTHORITY,
THE SANTA CLARA VALLEY WATER DISTRICT,
THE SAN MATEO COUNTY FLOOD CONTROL DISTRICT,
THE CITY OF PALO ALTO, THE CITY OF MENLO PARK, AND THE CITY OF EAST PALO
ALTO
FOR THE FUNDING OF CONSTRUCTION OF
THE SAN FRANCISQUITO CREEK FLOOD REDUCTION,
ECOSYSTEM RESTORATION, AND RECREATION PROJECT
SAN FRANCISCO BAY TO HIGHWAY 101**

IN WITNESS WHEREOF, the San Mateo Flood Control District has executed this Funding Agreement as of the date and year stated below.

Each Party has executed a separate signature page.

APPROVED AS TO FORM:

San Mateo County Flood Control District

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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OFFICE OF THE CITY ATTORNEY

Council Meeting Date: June 3, 2014
Staff Report #: 14-102

Agenda Item #: D-7

CONSENT CALENDAR: **Approval of the Lease dated April 29, 2014 with Peninsula Volunteers, Inc. for the Little House Located in Nealon Park, 800 Middle Avenue, Menlo Park, California**

RECOMMENDATION

Staff recommends that the City Council adopt a new Lease with Peninsula Volunteers, Inc. dated April 29, 2014 replacing the version adopted by the Council on May 6, 2014 and authorizing the Mayor to execute the Lease on behalf of the City.

BACKGROUND

On May 6, 2014 the City Council adopted an updated Lease with Peninsula Volunteers for the Little House located in Nealon Park.

ANALYSIS

Subsequent minor modifications were made to the lease presented at the May 6, 2014 meeting. While the modifications are minor, these changes are being requested by Peninsula Volunteers. Given the 20 year duration of the lease, staff is presenting the revised lease with changes for Council approval. This is the version of the contract approved by the Peninsula Volunteers Board of Directors. If approved, this lease will replace the previous lease attached to Resolution No. 6165 as Exhibit A adopted at the May 6, 2014 Council meeting.

A copy of the May 6, 2014 agenda item is attached for reference.

IMPACT ON CITY RESOURCES

Payment for the full 20-year term of the Lease is Twenty Dollars (\$20). PVI is taking the property as-is and the City will not be responsible for any maintenance or repair expenses, any capital improvements or replacements, or payment of any property taxes or assessments.

POLICY ISSUES

Continuing the lease of a portion of Nealon Park, including the Little House building, to PVI would continue to provide an important community service in that the Little House provides programming oriented toward Menlo Park seniors that are not otherwise provided by the City West of Highway 101.

ENVIRONMENTAL REVIEW

This is not a project for purposes of the California Environmental Quality Act.

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 Lease
- B. May 6, 2014 agenda item

Report prepared by:
William L. McClure
City Attorney

LEASE

THIS LEASE is executed effective as of _____, 2014, by and between the CITY OF MENLO PARK (hereinafter referred to as "Lessor") and PENINSULA VOLUNTEERS, INC., a California non-profit corporation (hereinafter referred to as "Lessee"), and supersedes and replaces the Lease dated February 1, 1995, by and between Lessor and Lessee. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. **PREMISES.** Lessor leases to Lessee a portion of that certain real property located at the site commonly known as Nealon Park, 800 Middle Avenue, Menlo Park, California, as more particularly shown and described in Exhibit A ("Premises"), attached hereto and incorporated herein by this reference. The improvements existing on the Premises as of the date of this Lease are the Lessor's property, but were constructed by Lessee.
2. **AS IS CONDITION.** Lessee currently occupies the Premises and is aware of its existing condition. Notwithstanding any provision in this Lease to the contrary, the Premises shall be delivered and Lessee accepts the Premises in its present "AS IS" condition.
3. **TERM.** The term of this Lease shall commence on the effective date above and terminate on January 31, 2035; provided, however, that Lessee shall have the right to terminate this Lease at any time upon three months prior written notice to Lessor. Following January 31, 2035, unless earlier terminated pursuant to the foregoing proviso, this Lease shall continue on the same terms and conditions on a month to month basis unless and until terminated by either party upon one month written notice.
4. **RENTAL.** Upon execution of this Lease, Lessee agrees to pay to Lessor, as payment in full for the Lease term as rental for the Premises, the sum of Twenty Dollars (\$20.00) in lawful money of the United States.
5. **TAXES; ASSESSMENTS.** Lessee shall pay all real and personal property taxes (if any), general and special assessments (if any), and other charges of every description levied on or assessed against the Premises, improvements located on the Premises, personal property located on or in the land or improvements, the leasehold estate, or any sub-leasehold estate, to the full extent of installments falling due during the term, whether belonging to or chargeable against Lessor or Lessee. Lessee shall make all such payments direct to the charging authority before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for their nonpayment. If, however, the law expressly permits the payment of any or all of the above items in installments (whether or not interest accrues on the unpaid balance), Lessee may, at Lessee's election, utilize the permitted installment method, but shall pay each installment with any interest before delinquency. If Lessor becomes aware of any such taxes or assessments that Lessee is obligated to pay pursuant to this Section 5, Lessor shall promptly notify Lessee in writing. To the extent the taxes allocable to the Premises are included in one tax bill for all of Nealon Park, Lessor shall reasonably determine

Lessee's fair share of such tax bill based on the total assessed value of land and improvements shown on the tax bill and the ratio of the Premises land area to the total land area included in the tax bill and the approximate total square footage of buildings within the Premises and the total square footage of all buildings included within the tax bill. If Lessee's fair share of the total combined tax bill for Nealon Park, including the Premises, is less than \$250.00 for any fiscal year, Lessor hereby waives the requirement for Lessee to pay or reimburse Lessor for Lessee's share of the tax bill.

6. USE.

6.1 Except as otherwise permitted in Section 6.2 hereof, Lessee shall use the Premises, and the improvements located thereon, for the operation of a non-profit non-sectarian community service and recreational programs oriented toward seniors ("Programs") and for no other use without Lessor's prior written consent. The Programs shall be offered on a non-discriminatory basis by Lessee and shall be open and available to the public residing in the City Menlo Park and elsewhere. To the extent possible, preference shall be given to participants residing in the City of Menlo Park.

6.2 Lessee may rent one or more portions of the Premises to third parties for educational, recreational, administrative or personal functions ("Third Party Rentals"), subject to the provisions of this Section 6.2. Third Party Rentals shall not be subject to the use limitations of Section 6.1 hereof, however, they shall be subject to the following limitations: (i) Third Party Rentals shall not require a conditional use permit under the Zoning Ordinance; (ii) Third Party Rentals shall be short term rentals of no longer than six months, and are not intended as a sublease, (iii) weddings shall not be permitted at the Premises, (iv) Lessee shall have staff on the Premises at all times during any such Third Party Rentals, (v) Third Party Rentals shall satisfy the use provisions of Section 6.3 and 6.4; and (vi) Third Party Rentals shall be an ancillary use of the Premises permitted to generate revenue, and shall not contravene the primary use set forth in Section 6.1.

6.3 Lessee shall not operate Programs which may create a nuisance or disturbances outside the facility or which disturb the quiet enjoyment of persons residing in the neighborhood surrounding the Premises.

6.4 Lessee shall obtain all necessary licenses and shall comply with all Local, State, and Federal regulations pertaining to the use of the Premises. Lessee shall be responsible for reasonable security in and around the Premises and any improvements located thereon, but not generally in Nealon Park.

7. ALTERATIONS/IMPROVEMENTS. Lessee shall not make any additions, alterations, or changes to the Premises, including any improvement located thereon, without the prior written consent of the Lessor. Lessor agrees not to unreasonably withhold such consent. Further, Lessee shall not make any additions, alterations, or changes to the Premises, including any improvement located thereon, without proper approvals from the City of Menlo Park Planning, Building and Public Works Departments. Any additions or alterations to the Premises, including any improvement located thereon, shall become a part of the realty and shall revert to Lessor, upon the expiration of the term or earlier termination of this Lease. Lessee shall not change any of the locks on the Premises without providing Lessor with a

duplicate key.

8. MAINTENANCE AND UTILITIES.

8.1 Except as otherwise provided in Section 8.5, Lessee shall be responsible for all maintenance, repair, and janitorial services for the Premises and any improvements located thereon, and shall pay the costs associated with such maintenance, repair and janitorial services, including but not limited to supplies, contract services, repairs and other maintenance costs.

8.2 Lessee shall be responsible for the maintenance and repair of the roof, roof membrane and structural elements of the building(s) located on the Premises.

8.3 Lessee shall be responsible for all utility costs, including gas, electricity, water and telephone, and all such maintenance, repair, installation and deposits for these services.

8.4 Lessee shall keep and maintain the Premises in good condition and repair, reasonable wear and tear excepted, and shall use the Premises in a careful, safe, and proper manner.

8.5 Lessor shall be responsible for maintenance and repair of the paving and landscaping.

9. ASSIGNMENT AND SUBLETTING. Except for Third Party Rentals, Lessee may not assign this Lease nor sublet the Premises without Lessor's prior written consent, which consent may be withheld in Lessor's absolute discretion. Notwithstanding the foregoing, Lessor shall not unreasonably withhold consent to the assignment or sublease of the Premises to another non-profit, nonsectarian entity providing community service, recreational, and/or educational programs oriented toward seniors generally available to City of Menlo Park residents.

10. ABANDONMENT. Should the Lessee abandon, be dispossessed of, surrender or otherwise vacate the Premises, the Lessor, at Lessor's option, may immediately terminate this Lease and enter the Premises and remove all persons and property. Lessee shall not allow the Premises to be vacant for more than a thirty (30) day period without the prior written approval of Lessor, which approval shall not be unreasonably withheld.

11. DEFAULT.

11.1 In the event of a default, Lessor shall give written notice thereof to Lessee. In the event that Lessee shall not have cured the default within ten (10) days of the notice, or if the default is of a nature which cannot reasonably be cured within ten (10) days and Lessee shall not have commenced to cure the default and be diligently pursuing such cure to completion, then Lessor, besides any other right or remedies that Lessor may have, shall have the right to terminate this Lease.

11.2 Should Lessor at any time terminate this Lease for any breach, in addition to any other remedy it may have, it may recover from Lessee all damages it may incur by reason of such breach, including the cost of recovering the Premises, and any other expenses actually incurred.

12. DESTRUCTION:

12.1 In the event the Premises and/or any improvements located thereon are

partially destroyed from any cause, Lessee shall repair the property, provided the cost of such repairs are completely covered by insurance and such repairs can be made within nine (9) months. Such partial destruction shall not void this Lease.

12.2 If the repairs cannot be made within nine (9) months, this Lease may be terminated at the option of either party. In the event the Premises and/or any improvements located thereon or in the future suffer the destruction of more than twenty five percent (25%) of the replacement cost or in the event insurance proceeds are not sufficient to cover the cost of repairs, Lessee may elect to terminate this Lease.

12.3 In the event either party elects to terminate this Lease as provided in this Section 12, Lessor shall have the option of collecting all insurance proceeds payable as a result of the damage or destruction of the Premises (but excluding insurance proceeds payable with respect to the personal property within or on the Premises) and taking the Premises in its condition or, in the alternative, requiring the Lessee to demolish the improvements in which event the Lessee shall retain any insurance proceeds.

12.4 Lessor shall not be obligated to replace or pay for the replacement of any of the improvements which may be damaged or destroyed.

13. INSURANCE AND INDEMNIFICATION.

13.1 Lessee, at its own expense, shall provide and keep in force public liability insurance for the benefit of Lessor and Lessee jointly against liability for bodily injury and property damage in an amount of not less than Two Million Dollars (\$2,000,000.00) for injury to, or death of one person in any one accident or occurrence, and in the amount of not less than Two Million Dollars (\$2,000,000.00) per occurrence in respect to damage to property, such limits to be for any greater amounts as may be reasonably indicated by circumstances from time to time existing. Lessor shall be named as an additional insured on Lessee's insurance policy with respect to the leased Premises.

13.2 Lessee, during the continuance of this Lease, covenants and agrees to defend, indemnify and hold harmless the Lessor, its agents and employees from each and every loss, cost, damage and expense arising out of any accident or other occurrence on the Premises causing injury to or death of persons or damage to Premises and any improvements located thereon or in the future by reason of the condition of the Premises, or due to the use or neglect thereof by Lessee or any subtenant of Lessee if permitted. Lessee further agrees during the continuance of this Lease also to defend, indemnify and hold harmless the Lessor from all damages and penalties arising out of any claims of Lessee's negligence or failure of the Lessee to comply with any of Lessee's obligations hereunder. Notwithstanding the foregoing, Lessee shall have no obligation to defend, indemnify or hold harmless Lessor from any claim, damage or liability arising out of Lessor's gross negligence or willful misconduct or breach of this Lease.

13.3 Lessee shall defend, indemnify and hold Lessor harmless from and against any and all costs, attorneys' fees, expenses and liabilities incurred in or about

any of the foregoing claims or any action or proceeding brought thereon. In case any action or proceeding be brought against the Lessor by reason of any such claim, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damages to property or injury to persons in or about the Premises from any cause whatsoever except that which is caused by the failure of the Lessor to observe any of the terms and conditions of this Lease. Lessor shall indemnify, defend and hold Lessee its agents and employees harmless from and against any and all costs, losses, damages and expenses arising out of Lessor's gross negligence, willful misconduct or breach of this Lease. The obligations of Lessee and Lessor under this section arising by reason of any occurrence taking place during the term of this Lease shall survive any termination of this Lease.

- 13.4 Lessee, at its cost and expense, shall provide and keep in force fire and other casualty insurance in such amounts and upon such terms as Lessee may deem appropriate, but in no event less than the full replacement cost of the building and improvements within the Premises. All such insurance proceeds shall be utilized by Lessee for the repair or replacement of any improvements in the event of damage or destruction.
14. QUIET POSSESSION. Lessor shall not disturb Lessee's quiet enjoyment and possession of the Premises during the term of this Lease.
15. INSPECTION. Lessor may enter onto the Premises at all reasonable times to inspect the Premises. Lessor shall attempt to provide twenty-four (24) hours' notice to Lessee prior to such entry.
16. LIENS. Lessee shall keep the Premises free from any and all liens arising out of any work performed, materials furnished, or obligations incurred by or for Lessee; and Lessee agrees to defend Lessor at his sole cost and expense against any and all law suits arising from such lien upon receipt of notice of opportunity to defend from Lessor.
17. NOTICES. All notices between the parties shall be in writing and sent by U.S. Certified Mail - Return Receipt or personally delivered to: Lessor: CITY OF MENLO PARK, 701 Laurel Street, Menlo Park, California 94025, Attn: City Manager; Lessee: PENINSULA VOLUNTEERS, INC., 800 Middle Avenue, Menlo Park, California 94025, Attn: Executive Director.
18. WAIVER. The waiver by either party of a breach by the other party of any agreement herein, shall not be deemed to be a waiver on a part of the first party of any covenant of this Lease. Such waiver by the first party shall not constitute a waiver of any future breach by the other party of the same or other covenants of this Lease.
19. MISCELLANEOUS.
- 19.1 This Lease shall be binding on the administrators, assigns, executors, heirs and successors of Lessor and Lessee.
- 19.2 Should either party bring an action for breach under any of the conditions and terms of this Lease, the losing party agrees to pay to the prevailing party all

reasonable attorneys' fees and cost, as fixed by the court.

19.3 Section headings are for reference only and shall have no effect upon the interpretations of this Lease.

19.4 Time is of the essence of each provision of this Lease.

19.5 The unenforceability, invalidity or illegality of any provision shall not render the other provisions unenforceable, invalid or illegal.

Lessor and Lessee have duly authorized and executed this Lease as of the date first set forth above.

LESSOR

LESSEE

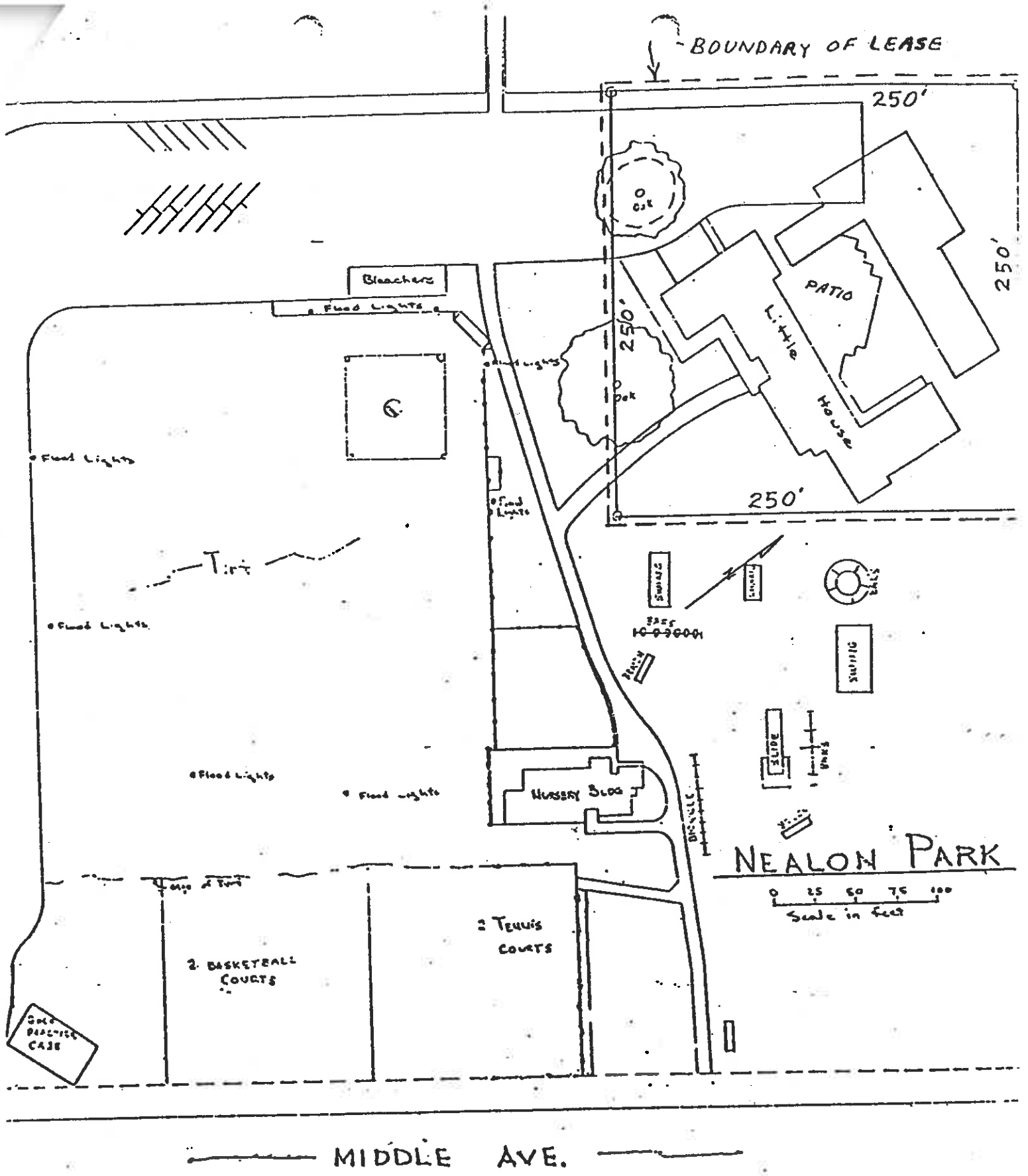
CITY OF MENLO PARK

PENINSULA VOLUNTEERS, INC.

By: _____

By: _____

Its: _____



Property leased to the
"Peninsula Volunteers"

EXHIBIT A

ENCLOSURE (A)

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OFFICE OF THE CITY ATTORNEY

Council Meeting Date: May 6, 2014
Staff Report #: 14-063

Agenda Item #: D-1

CONSENT CALENDAR: **Approval of the Lease dated April 29, 2014 with Peninsula Volunteers, Inc. for the Little House Located in Nealon Park, 800 Middle Avenue, Menlo Park, California**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving a new Lease with Peninsula Volunteers, Inc. dated April 29, 2014 and authorizing the Mayor to execute the Lease on behalf of the City.

BACKGROUND

In 1953, the City of Menlo Park entered into a lease with Peninsula Volunteers, Inc. ("PVI") for a portion of Nealon Park, which PVI has continuously leased since that time. PVI constructed the Little House building and transferred ownership of the building to the City. In 1995, the lease was updated and extended to 2015.

ANALYSIS

PVI intends to fund substantial renovations to the Little House and is requesting that the City enter into a new long term lease to extend the term for an additional 20 years beyond the current expiration date which is January 31, 2015. The terms and conditions of the Lease remain essentially the same as the existing lease, but have been updated with modern insurance, maintenance/repair provisions and to more accurately reflect the community programs and operations of the Little House.

The Peninsula Volunteers Board of Directors held a meeting on April 29, 2014 meeting at which they formally accepted the new Little House lease as presented in this agenda item.

IMPACT ON CITY RESOURCES

Payment for the full 20-year term of the Lease is Twenty Dollars (\$20). PVI is taking the property as-is and the City will not be responsible for any maintenance or repair expenses, any capital improvements or replacements, or payment of any property taxes or assessments.

POLICY ISSUES

Continuing the lease of a portion of Nealon Park, including the Little House building, to PVI would continue to provide an important community service in that the Little House provides programming oriented toward Menlo Park seniors that are not otherwise provided by the City West of Highway 101.

ENVIRONMENTAL REVIEW

This is not a project for purposes of the California Environmental Quality Act.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Resolution
- B. Lease

Report prepared by:
William L. McClure
City Attorney

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING THAT CERTAIN LEASE DATED APRIL 29, 2014 BETWEEN THE CITY OF MENLO PARK AND PENINSULA VOLUNTEERS, INC.

WHEREAS, the City Council of the City of Menlo Park has read and considered that certain Lease dated April 29, 2014, between the City of Menlo Park and Peninsula Volunteers, Inc., which replaces the existing lease dated February 1, 1995 and extends the term to January 31, 2035; and

WHEREAS, the City Council of the City of Menlo Park having been fully advised on the matter is satisfied that the Lease is fair and reasonable and is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park finds that the public interest requires entering into and hereby approves the Lease dated April 29, 2014 attached hereto as Exhibit A and incorporated herein by this reference and authorizes the Mayor of the City of Menlo Park to execute the Lease on behalf of the City.

I, Pamela Aguilar, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the sixth day of May, 2014, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this sixth day of May, 2014.

Pamela Aguilar
City Clerk

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LEASE

THIS LEASE, which replaces the Lease dated February 1, 1995, is executed effective as of April 29, 2014 by and between the CITY OF MENLO PARK (hereinafter referred to as "Lessor"), and PENINSULA VOLUNTEERS, INC., a California non-profit corporation (hereinafter referred to as "Lessee"), who agree as follows:

1. PREMISES. Lessor leases to Lessee a portion of that certain real property located at the site commonly known as Nealon Park, 800 Middle Avenue, Menlo Park, California, as more particularly shown and described in Exhibit A ("Premises"), attached hereto and incorporated herein by this reference. The improvements existing on the Premises as of the date of this Lease are the Lessor's property, but were constructed by Lessee.
2. AS IS CONDITION. Lessee currently occupies the Premises and is aware of its existing condition. Notwithstanding any provision in this Lease to the contrary, the Premises shall be delivered and Lessee accepts the Premises in its present "AS IS" condition.
3. TERM. The term of this Lease shall commence on the effective date above and terminate on January 31, 2035. Thereafter, the Lease shall continue on the same terms and conditions unless terminated by either party upon six months notice.
4. RENTAL. Lessee agrees to pay to Lessor as rental for the Premises the sum of Twenty Dollars (\$20.00) as payment in full for the Lease term in lawful money of the United States upon execution of this Lease.
5. TAXES; ASSESSMENTS. Lessee shall pay all real and personal property taxes (if any), general and special assessments (if any), and other charges of every description levied on or assessed against the Premises, improvements located on the Premises, personal property located on or in the land or improvements, the leasehold estate, or any sub-leasehold estate, to the full extent of installments falling due during the term, whether belonging to or chargeable against Lessor or Lessee. Lessee shall make all such payments direct to the charging authority before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for their nonpayment. If, however, the law expressly permits the payment of any or all of the above items in installments (whether or not interest accrues on the unpaid balance), Lessee may, at Lessee's election, utilize the permitted installment method, but shall pay each installment with any interest before delinquency.
6. USE.
 - 6.1 Lessee shall use the Premises, and the improvements located thereon, for the operation of a non-profit non-sectarian community service and recreational programs oriented toward seniors

("Programs") and for no other use without Lessor's prior written consent. The Programs shall be offered on a non-discriminatory basis by Lessee and shall be open and available to the public residing in the City Menlo Park and elsewhere. To the extent possible, preference shall be given to participants residing in the City of Menlo Park.

6.2 Lessee may rent space on the Premises provided that the person(s) renting the Premises is conducting program(s) that satisfy the use provisions of Section 6.1, above; do not violate Section 6.3, below; and do not require a conditional use permit under the Zoning Ordinance. Rentals pursuant to this Section 6.2 shall be short-term, six months or less, and are not intended to be a sublease. Nothing in this section is intended to allow rental of the Premises for weddings. Lessee shall have staff on the Premises during any such rentals. Any proposed rental of the Premises that exceeds the terms of this Section 6.2, but does not require a discretionary approval pursuant to the Zoning Ordinance, may be approved by the City Manager or his/her designee. Any use that does not satisfy the requirements of Sections 6.1 and 6.2 shall require an amendment to the use permit for the Premises.

6.3 Lessee shall not operate Programs which may create a nuisance or disturbances outside the facility or which disturb the quiet enjoyment of persons residing in the neighborhood surrounding the Premises.

6.4 Lessee shall obtain all necessary licenses and shall comply with all Local, State, and Federal regulations pertaining to the use of the Premises. Lessee shall be responsible for reasonable security in and around the Premises and any improvements located thereon.

7. ALTERATIONS/IMPROVEMENTS. Lessee shall not make any additions, alterations, or changes to the Premises, including any improvement located thereon, without the prior written consent of the Lessor. Lessor agrees not to unreasonably withhold such consent. Further, Lessee shall not make any additions, alterations, or changes to the Premises, including any improvement located thereon, without proper approvals from the City of Menlo Park Planning, Building and Public Works Departments. Any additions or alterations to the Premises, including any improvement located thereon, shall become a part of the realty and shall revert to Lessor in good condition, reasonable wear and tear excepted, upon the expiration of the term or earlier termination of this Lease. Lessee shall not change any of the locks on the Premises without providing Lessor with a duplicate key.

8. MAINTENANCE AND UTILITIES.

8.1 Lessee shall be responsible for all maintenance, repair, and janitorial services for the Premises and any improvements located

thereon, and shall pay the costs associated with such maintenance, repair and janitorial services, including but not limited to supplies, contract services, repairs and other maintenance costs.

- 8.2 Lessee shall be responsible for the maintenance and repair of the roof, roof membrane and structural elements of the building(s) located on the Premises.
 - 8.3 Lessee shall be responsible for all utility costs, including gas, electricity, water and telephone, and all such maintenance, repair, installation and deposits for these services.
 - 8.4 Lessee shall keep and maintain the Premises in good condition and repair and shall use the Premises in a careful, safe, and proper manner.
 - 8.5 Lessor shall be responsible for maintenance and repair of the paving and landscaping.
9. ASSIGNMENT AND SUBLETTING. Lessee may not assign this Lease nor sublet the Premises without Lessor's prior written consent, which consent may be withheld in Lessor's absolute discretion. Notwithstanding the foregoing, Lessor shall not unreasonably withhold consent to the assignment or sublease of the Premises to another non-profit, non-sectarian entity providing community service, recreational, and/or educational programs oriented toward seniors generally available to City of Menlo Park residents.
10. ABANDONMENT. Should the Lessee abandon, be dispossessed of, surrender or otherwise vacate the Premises, the Lessor, at Lessor's option, may immediately terminate this Lease and enter the Premises and remove all persons and property. Lessee shall not allow the Premises to be vacant for more than a thirty (30) day period without the prior written approval of Lessor.
11. DEFAULT.
- 11.1 In the event of a default, Lessor shall give written notice thereof to Lessee. In the event that Lessee shall not have cured the default within ten (10) days of the notice, or if the default is of a nature which cannot reasonably be cured within ten (10) days and Lessee shall not have commenced to cure the default and be diligently pursuing such cure to completion, then Lessor, besides any other right or remedies that Lessor may have, shall have the right to terminate this Lease.
 - 11.2 Should Lessor at any time terminate this Lease for any breach, in addition to any other remedy it may have, it may recover from Lessee all damages it may incur by reason of such breach,

including the cost of recovering the Premises, and any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform Lessee's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

12. DESTRUCTION:

12.1 In the event the Premises and/or any improvements located thereon are partially destroyed from any cause, Lessee shall repair the property, provided the cost of such repairs are at least ninety percent (90%) covered by insurance and such repairs can be made within nine (9) months. Such partial destruction shall not void this Lease.

12.2 If the repairs cannot be made within nine (9) months, this Lease may be terminated at the option of either party. In the event the Premises and/or any improvements located thereon or in the future suffer the destruction of more than fifty percent (50%) of the replacement cost or in the event insurance proceeds are not sufficient to cover the cost of repairs, Lessee may elect to terminate this Lease.

12.3 In the event either party elects to terminate this Lease as provided in this Section 12, Lessor shall have the option of collecting all insurance proceeds payable as a result of the damage or destruction of the Premises and taking the Premises in its condition or, in the alternative, requiring the Lessee to demolish the improvements in which event the Lessee shall retain any insurance proceeds.

12.4 Lessor shall not be obligated to replace or pay for the replacement of any of the improvements which may be damaged or destroyed.

13. INSURANCE AND INDEMNIFICATION.

13.1 Lessee, at its own expense, shall provide and keep in force public liability insurance for the benefit of Lessor and Lessee jointly against liability for bodily injury and property damage in an amount of not less than Two Million Dollars (\$2,000,000.00) for injury to, or death of one person in any one accident or occurrence, and in the amount of not less than Two Million Dollars (\$2,000,000.00) per occurrence in respect to damage to property, such limits to be for any greater amounts as may be reasonably indicated by circumstances from time to time existing. Lessor shall be named as an additional insured on Lessee's insurance policy with respect to the leased Premises.

13.2 Lessee, during the continuance of this Lease, covenants and agrees to defend, indemnify and hold harmless the Lessor, its agents and employees from each and every loss, cost, damage

and expense arising out of any accident or other occurrence on the Premises causing injury to or death of persons or damage to Premises and any improvements located thereon or in the future by reason of the condition of the Premises, or due to the use or neglect thereof by Lessee or any subtenant of Lessee if permitted. Lessee further agrees during the continuance of this Lease also to defend, indemnify and hold harmless the Lessor from all damages and penalties arising out of any claims of Lessee's negligence or failure of the Lessee to comply with any of Lessee's obligations hereunder. Notwithstanding the foregoing, Lessee shall have no obligation to defend, indemnify or hold harmless Lessor from any claim, damage or liability arising out of Lessor's gross negligence or willful misconduct.

13.3 Lessee shall defend, indemnify and hold Lessor harmless from and against any and all costs, attorneys' fees, expenses and liabilities incurred in or about any of the foregoing claims or any action or proceeding brought thereon. In case any action or proceeding be brought against the Lessor by reason of any such claim, Lessee upon notice from Lessor shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor. Lessee, as a material part of the consideration to Lessor, hereby assumes all risk of damages to property or injury to persons in or about the Premises from any cause whatsoever except that which is caused by the failure of the Lessor to observe any of the terms and conditions of this Lease. The obligations of Lessee under this section arising by reason of any occurrence taking place during the term of this Lease shall survive any termination of this Lease. Lessor shall indemnify, defend and hold Lessee harmless from and against any and all costs arising out of Lessor's gross negligence, willful misconduct or breach of this Lease.

13.4 Lessee, at its cost and expense, shall provide and keep in force fire and other casualty insurance in such amounts and upon such terms as Lessee may deem appropriate, but in no event less than the full replacement cost of the building and improvements within the Premises (or shall reimburse Lessor for the premium for such insurance policy if the parties elect to have the City maintain such policy). All such insurance proceeds shall be utilized by Lessee for the repair or replacement of any improvements in the event of damage or destruction.

14. QUIET POSSESSION. Lessor shall not disturb Lessee's quiet enjoyment and possession of the Premises during the term of this Lease.

15. INSPECTION. Lessor may enter onto the Premises at all reasonable times to inspect the Premises. Lessor shall attempt to provide twenty-four (24) hours notice to Lessee prior to such entry.

16. LIENS. Lessee shall keep the Premises free from any and all liens arising out of any work performed, materials furnished, or obligations incurred by or for Lessee; and Lessee agrees to defend Lessor at his sole cost and expense against any and all law suits arising from such lien upon receipt of notice of opportunity to defend from Lessor.

17. NOTICES. All notices between the parties shall be in writing and sent by U.S. Certified Mail - Return Receipt or personally delivered to: Lessor: CITY OF MENLO PARK, 701 Laurel Street, Menlo Park, California 94025, Attn: City Manager; Lessee: PENINSULA VOLUNTEERS, INC., 800 Middle Avenue, Menlo Park, California 94025, Attn: Executive Director.

18. WAIVER. The waiver by Lessor of a breach by Lessee of any agreement herein, shall not be deemed to be a waiver on a part of Lessor of any covenant of this Lease. Such waiver by Lessor shall not constitute a waiver of any future breach by Lessee of the same or other covenants of this Lease.

19. MISCELLANEOUS.
 - 19.1 This Lease shall be binding on the administrators, assigns, executors, heirs and successors of Lessor and Lessee.

 - 19.2 Should either party bring an action for breach under any of the conditions and terms of this Lease, the losing party agrees to pay to the prevailing party all reasonable attorneys' fees and cost, as fixed by the court.

 - 19.3 Section headings are for reference only and shall have no effect upon the interpretations of this Lease.

 - 19.4 Time is of the essence of each provision of this Lease.

 - 19.5 The unenforceability, invalidity or illegality of any provision shall not render the other provisions unenforceable, invalid or illegal.

LESSOR

LESSEE

CITY OF MENLO PARK

PENINSULA VOLUNTEERS

By: _____

By: _____

Its: _____



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

Tuesday, April 29, 2014
6:00 P.M.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers

Mayor Mueller called the Closed Session to order at 6:07 p.m. Councilmember Keith was absent.

6:00 P.M. CLOSED SESSION (1st floor Council Conference Room, Administration Building)

Public Comment on these items will be taken prior to adjourning to Closed Session

CL1. Closed Session pursuant to Government Code Section §54946.8 to meet with real property negotiators, City Attorney Bill McClure, City Manager Alex McIntyre, and Assistant City Manager Starla Jerome-Robinson regarding potential sale of real property commonly known as 1467 Chilco Street, Menlo Park, to the Menlo Park Fire Protection District, including but not limited to instructions regarding sales price and other terms of sale

CL2. Closed Session pursuant to Government Code Section §54957 to conference with labor negotiators regarding labor negotiations with the Police Officers Association (POA) and Service Employees International Union (SEIU)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director, Drew Corbett, Finance Director, and Charles Sakai, Labor Attorney

7:00 P.M. REGULAR SESSION

Mayor Mueller called the Regular Session to order at 7:12 p.m. with all members present.

Mayor Mueller led the pledge of allegiance.

At this time, Mayor Mueller called Agenda Items A1 through A3 out of order.

A1. Proclamation honoring the Menlo Park Farmer's Market ([proclamation](#))([presentation](#))
Founder Margaret Carney and members of the Live Oaks Lions Club accepted the proclamation. Mayor Mueller also acknowledged the recent passing of Frank Carney and asked the audience to stand to express appreciation for the contributions of Mr. Carney.

A2. Presentation of Environmental Quality Awards ([presentation](#))
EQC Commissioner Deborah Martin gave a brief presentation. On behalf of the commission, Mayor Mueller presented the following awards:

- Climate Action Winner - Tom Arnold, CEO and Founder of Gridium
- Sustainable Lifestyle Winner - Carolee Hazard, Menlo Park resident (not present)

A3. Presentation of New City Website Reveal

Assistant to the City Manager Clay Curtin presented an orientation of the new City website and responded to Council questions.

ANNOUNCEMENTS – None

REPORT FROM CLOSED SESSION

There was no reportable action from the Closed Session held earlier this evening.

SS. STUDY SESSION

SS1. Review of the Downtown Parking Program ([presentation](#))

Transportation Manager Jesse Quirion made a presentation. Bill Hurrell, Vice President of CDM Smith, assisted with the presentation in regards to benchmarking to other communities.

Staff and Mr. Hurrell responded to Council questions and discussion ensued regarding signage and parking enforcement.

Public Comment:

- Penelope Huang spoke regarding the need for an employee parking, perhaps requiring a parking structure
- Fran Dehn, Menlo Park Chamber of Commerce, spoke regarding the need to create a welcoming retail experience

SS2. Discuss participation in Alameda County Regional Renewable Energy Procurement (R-REP) Project that could potentially provide solar power (Photovoltaic Panels) to five city facilities, and provide general direction on financing, review process, and installation of solar carports ([Staff report #14-066](#))([presentation](#))

Environmental Programs Manager Rebecca Fotu made a presentation.

There was consensus among Council to participate in the Alameda County R-REP Project.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation honoring the Menlo Park Farmer's Market

This item was called earlier in the meeting.

A2. Presentation of Environmental Quality Awards

This item was called earlier in the meeting.

A3. Presentation of New City Website Reveal

This item was called earlier in the meeting.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

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

Library Commission Chair Jacqueline Cebrian reported on the following commission activities: researching meeting spaces, creating library focus groups, and promoting e-services

B2. Consider applicants for appointment to fill two vacancies on the Planning Commission, two vacancies on the Parks and Recreation Commission, and one vacancy on the Housing Commission ([Staff report #14-062](#))

ACTION: Councilmember Keith nominated Andrew Combs, Councilmember Cline nominated Ben Eiref, Mayor Mueller nominated Michael Meyer, and Councilmember Ohtaki nominated Elizabeth Youngblood for the Planning Commission.

ACTION: With a majority of votes, Ben Eiref (unanimous) and Andrew Combs (Mueller, Carlton, Keith) were appointed to the Planning Commission, each to four-year terms expiring April 2018.

ACTION: Mayor Pro Tem Carlton nominated Thomas Stanwood and Councilmember Cline nominated Elidia Tafoya for the Parks and Recreation Commission.

ACTION: By acclamation Thomas Stanwood and Elidia Tafoya are appointed to the Parks and Recreation Commission, each to four-year terms expiring April 2018.

ACTION: Because Housing Commission incumbent Sally Cadigan is seeking reappointment and there are no other applicants, by acclamation Ms. Cadigan is reappointed to the Housing Commission for a four-year term expiring April 2018.

B3. Provide information from Bicycle and Transportation Commissions about a potential commission merger

Bicycle Commission Chair Greg Klingsporn and Transportation Commission Chair Bianca Walser presented information.

Public/Commissioner Comment:

- Philip Mazzara, Transportation Commissioner, spoke against a merger
- Penelope Huang, Transportation Commissioner, spoke against a merger
- Maurice Shiu, Transportation Commissioner, spoke in favor of a merger and for a Complete Streets Commission
- Adina Levin, Transportation Commissioner, spoke in favor a of merger and for a Complete Streets Commission
- Michael Meyer, Transportation Commissioner, spoke in favor of a merger and for a Complete Streets Commission

A majority of the Council were in favor of the Commissions remaining separate and provided direction to staff. The City Clerk was directed to proceed with appointments to both the Bicycle Commission and Transportation Commission.

C. PUBLIC COMMENT #1

- Commissioners Robert Bernardo and Jim Tucker, San Mateo County Harbor District, shared information regarding activities and accomplishments of the District
- Mary Kuechler spoke against the proposed well at Sharon Heights Golf Club
- Elizabeth Houck expressed concern regarding spraying of Round-Up in the city
- Steve Schmidt spoke regarding rodent and plant issues and asked city staff to stop using pesticides. He also spoke against the proposed well at Sharon Heights Golf Club.

D. CONSENT CALENDAR

D1. Waive the reading and adopt **Ordinances 1002, 1003 & 1004** amending the zoning ordinance to include housing element implementation programs related to an emergency shelter for the homeless overlay, definitions pertaining to transitional and supportive housing and residential care facilities, and procedures for reasonable accommodation ([Staff report #14-061](#))

D2. Consider removal of on-street parking for new SamTrans bus stops ([Staff report #14-064](#))

D3. Accept minutes for the Council meetings of April 1, 2014 and April 22, 2014 ([Attachment](#))

ACTION: Motion and second (Cline/Keith) to approve all items on the Consent Calendar passes unanimously.

E. PUBLIC HEARINGS

- E1. Adopt a resolution amending the City's Master Fee Schedule to incorporate proposed changes in fees to become effective immediately, July 1, 2014, or as required by statute for the following departments: Community Services and the Menlo Park Municipal Water District ([Staff report #14-060](#))

Council waived hearing a staff presentation.

Mayor Mueller opened the Public Hearing. There was no public comment.

ACTION: Motion and second (Cline/Keith) to close the Public Hearing passes unanimously.

ACTION: Motion and second (Keith/Cline) to adopt **Resolution 6193** amending the City's Master Fee Schedule to incorporate proposed changes in fees to become effective immediately, July 1, 2014, or as required by statute for the following departments: Community Services and the Menlo Park Municipal Water District passes unanimously.

ACTION: Motion and second (Cline/Ohtaki) to re-open the Public Hearing in respect to Community Development fees and continue the Public Hearing on the Community Development portion of the Master Fee Schedule to the May 13, 2014 Council meeting passes unanimously.

F. REGULAR BUSINESS

- F1. Adopt a resolution authorizing the City of Menlo Park to become a member of the Western Riverside Council of Governments Joint Powers Authority and consenting to the inclusion of properties within the City of Menlo Park in the California HERO Program provided through WRCOG for financing of renewable energy and energy and water efficiency improvements ([Staff report #14-065](#))([presentation](#))

Council waived hearing a staff presentation. John Law of Renovate America was present.

Staff and Mr. Law responded to Council questions, and discussion ensued regarding homeowner education regarding the program.

Public Comment:

- John Law, Renovate America, spoke in support of Menlo Park becoming a member of the JPA and being included in the HERO Program.
- Elizabeth Houck expressed concern regarding staff time that will be spent on this program

ACTION: Motion and second (Cline/Keith) to adopt **Resolution 6194** authorizing the City of Menlo Park to become a member of the Western Riverside Council of Governments Joint Powers Authority and consenting to the inclusion of properties within the City of Menlo Park in the California HERO Program provided through WRCOG for financing of renewable energy and energy and water efficiency improvements with Councilmember Ohtaki's friendly amendment (Carlton seconds) to include adequate disclaimers and references in the City's program marketing materials, particularly disclosures regarding the risk associated with loans backed by Fannie Mae and Freddie Mac, and that these should be presented in layman's language passes unanimously.

- F2. Consider and introduce ordinances to amend Chapter 16.79 (secondary dwelling units), Section 16.68.030 related to accessory buildings and accessory structures, and associated sections of Title 16 (Zoning) pertaining to secondary dwelling units and accessory structures and accessory buildings ([Staff report #14-067](#))([presentation](#))

Council waived hearing a staff presentation.

Public Comment:

- Harry Bims spoke regarding parking and driveways ([handout](#))
- Sheryl Bims spoke regarding the negative impacts of secondary dwelling units on the Belle Haven neighborhood and parking issues
- Rose Bickerstaff spoke in support of the previous speakers regarding parking issues on private lots

ACTION: Motion and second (Cline/Ohtaki) to introduce ordinances to amend Chapter 16.79 (Secondary Dwelling Units), Section 16.68.030 related to accessory buildings and accessory structures, and associated sections of Title 16 (Zoning) pertaining to secondary dwelling units and accessory structures and accessory buildings, with the following modifications as outlined below; passes 4-1 (Mueller dissents):

Accessory Buildings and Accessory Structures

- 1) Minor revisions to “clean up” items for clarity and consistency:
 - a. Clarification to accessory building and accessory structures regarding square footage calculation, and
 - b. Clarification of what is an accessory building and accessory structure

Secondary Dwellings

- 1) Maintain existing minimum lot size of 6,000 square feet for a secondary dwelling unit without a use permit
- 2) Addition of specific criteria to the registration process in the tenancy section.
- 3) Addition of a clause to give flexibility in extending the conversion process after the one-year time limit in the conversion of accessory building section.

G. CITY MANAGER’S REPORT – None

H. WRITTEN COMMUNICATION – None

I. INFORMATIONAL ITEMS – None

J. COUNCILMEMBER REPORTS

Councilmember Ohtaki asked staff to schedule an update in June regarding the right-turn at El Camino Real and Ravenswood. He also reported that ABAG is willing to make a presentation at a future meeting.

J1. Resident request to agendize well in Jack Lyle Park to be considered in Water Program presentation scheduled for the June 3, 2014 City Council meeting
There was consensus by Council to add this item to the June 3rd Council meeting.

J2. Resident request to agendize prohibition of Round Up at City Parks presently under review by the Environmental Quality Commission
There was consensus by Council to add this item to a future meeting date to be determined.

K. PUBLIC COMMENT #2

- Elizabeth Houck expressed concern regarding Item J1 being placed on the agenda with the Water Program presentation.

L. ADJOURNMENT at 12:48 a.m. on April 30, 2014.

Pamela Aguilar
City Clerk



**CITY COUNCIL
REGULAR MEETING
DRAFT MINUTES**

**Tuesday, May 6, 2014
7:00 P.M.
701 Laurel Street, Menlo Park, CA 94025
City Council Chambers**

7:00 P.M. REGULAR SESSION

Mayor Mueller called the Regular Session to order at 7:02 p.m. with all members present.

Mayor Mueller led the pledge of allegiance.

ANNOUNCEMENTS

Mayor Mueller announced that Item F1, *Adopt a resolution authorizing the installation of stop signs at the northerly and southerly ends of Wallea Drive at San Mateo Drive*, will be continued to the June 17th Council meeting.

A. PRESENTATIONS AND PROCLAMATIONS

At this time, Mayor Mueller introduced and presented commendations to the Menlo Atherton Orchestra and the orchestra performed a short number.

A1. Proclamation declaring Bike to Work Day on May 8, 2014 ([proclamation](#))
Bicycle Commissioners Fred Berghout and Cindy Welton accepted the proclamation.

At this time, Mayor Mueller called **Item C**, *Public Comment*, out of order.

C. PUBLIC COMMENT #1

- Fran Dehn, Chamber of Commerce, presented the Council with a book of photographs titled 'A Friendship of Two Menlos' commemorating the friendship agreement between the City of Menlo Park and the City of Galway, Ireland and the visits by each respective mayor
- Art Roos spoke regarding the City's sign ordinance

At this time, Mayor Mueller called **Item E1**, *Consider an Appeal of the Planning Commission's decision to approve a use permit for a new two-story, single-family residence on a substandard lot at 772 Harvard Avenue*, out of order.

E1. Consider an Appeal of the Planning Commission's decision to approve a use permit for a new two-story, single-family residence on a substandard lot at 772 Harvard Avenue
([Staff report #14-073](#))([staff presentation](#))

Staff presentation by Planner Liz Schuller.

Mayor Mueller opened the Public Hearing.

A presentation was made by the appellants Brian Schmitz and Stephanie Rowen which addressed privacy issues, planning guidelines of other cities, existing windows versus new windows, vegetation, and the proposal to minimize the rear second story windows facing their home and adding screening ([presentation](#))([handout](#))

A presentation was made by architect Stephen Charlip and applicants/respondents Elisabeth and Marvin Weinstein which addressed the windows' design, size and elevation, views from the

windows, privacy level, impact on the views and visual appeal of the home and the proposal that this issue be resolved by architectural modification and landscaping ([handout](#))

There was no public comment.

Motion and second (Cline/Carlton) to close the Public Hearing passes unanimously.

Council discussion ensued regarding privacy, landscaping and lot depth.

ACTION: Motion and second (Cline/Keith) to deny the appeal and uphold the Planning Commission decision passes unanimously.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Consider applicants for appointment to fill two vacancies on the Environmental Quality Commission, four vacancies on the Transportation Commission, three vacancies on the Bicycle Commission and three vacancies on the Library Commission ([Staff report #14-074](#))

ACTION: Councilmember Keith nominated Chris DeCardy and Councilmember Cline nominated Christina Smolke to fill vacancies on the Environmental Quality Commission.

ACTION: By unanimous vote, Chris DeCardy and Christina Smolke were appointed to the Environmental Quality Commission, each to a four-year term expiring April 2018.

ACTION: Mayor Mueller nominated Maurice Shiu for the Transportation Commission. Mayor Pro Tem Carlton nominated Jonas Halpren, Councilmember Ohtaki nominated Josh Wetzel, Councilmember Keith nominated Adina Levin, Councilmember Cline nominated Philip Mazzara and Matthew Zumstein.

ACTION: By unanimous vote Adina Levin and Philip Mazzara were reappointed to the Transportation Commission for four-year terms expiring April 2018. With a majority of votes Maurice Shui (Cline, Mueller, Keith) was reappointed to a three-year term expiring April 2017 and Josh Wetzel (Ohtaki, Mueller, Carlton) was appointed to a one-year term expiring April 2015.

ACTION: By acclamation, Lydia Lee, Whitney McKierman and Matthew Zumstein were appointed to the Bicycle Commission, each to a four-year term expiring April 2018.

ACTION: By acclamation, Jacqueline Cebrian was reappointed to the Library Commission to a four-year term expiring April 2018, and Charles Ehrlich and George Ripple were appointed to three-year terms expiring April 2017.

C. PUBLIC COMMENT #1

This item was called earlier in the meeting.

D. CONSENT CALENDAR

D1. Approval of the lease dated April 29, 2014 with Peninsula Volunteers, Inc. for the Little House located in Nealon Park, 800 Middle Avenue, Menlo Park, California **Resolution 6195** ([Staff report #14-063](#))

D2. Approve minor changes to the Below Market Rate (BMR) Housing Program Guidelines **Resolution 6196** ([Staff report #14-069](#))

D3. Authorize the City Manager to execute a one-year extension of the existing contract with Turbo-Data Systems, Inc. for parking citation processing and related services ([Staff report # 14-070](#))

- D4.** Authorize the City Manager to enter into a contract with GHD Inc. in the amount of \$84,220 and future augments as may be necessary for the preparation of an Initial Study and Mitigated Negative Declaration for the Menlo Park Fire Protection District Station 6 Redevelopment Project ([Staff report # 14-071](#))
- D5.** Authorize the Public Works Director to accept the work performed by Del Conte's Landscaping, Inc. for the Santa Cruz Avenue Irrigation Replacement Project ([Staff report # 14-072](#))
- D6.** Adopt a resolution authorizing the installation of 2-hour parking restrictions between 10:00 a.m. and 4:00 p.m., Mondays to Fridays, holidays excepted, on the segment to San Mateo Drive, both sides, between the bike bridge and northern Bay Laurel Drive **Resolution 6197** ([Staff report # 14-075](#))
- D7.** Accept Council minutes for the meeting of April 29, 2014 ([Attachment](#))

Councilmember Ohtaki pulled Item D7, *Accept Council minutes for the meeting of April 29, 2014*, for further discussion. This item is continued to the next Council meeting.

ACTION: Motion and second (Cline/Carlton) to approve items D1-D6 on the Consent Calendar passes unanimously.

E. PUBLIC HEARINGS

- E1.** Consider an Appeal of the Planning Commission's decision to approve a use permit for a new two-story, single-family residence on a substandard lot at 772 Harvard Avenue ([Staff report #14-073](#))

This item was called earlier in the meeting.

At this time, **Item F3**, *Provide general feedback to the Parks and Recreation Commission regarding non-resident fees and registration procedures for Community Services Programs*, was called out of order.

- F3.** Provide general feedback to the Parks and Recreation Commission regarding non-resident fees and registration procedures for Community Services Programs ([Staff report # 14-078](#))

Staff presentation by Assistant Community Services Director Derek Schweigart.

Public Comment:

- Mariane Polefsky, Parks & Recreation Commissioner, provided a brief overview of the work the commission has done on this issue
- Dawn Tower-Irvine spoke regarding the financial impact of non-resident fees on team sports
- Laurie Sobel stated she lives in unincorporated Menlo Park and that her family is very connected to the community. She stated that non-resident fees affect the programs her children are enrolled in but does not seem to apply to the adult Fit class that she is in.
- Nikki Sokol stated she lives in unincorporated Menlo Park and her family spends money at downtown businesses. Her children have participated in many Community Services programs.
- Kris Quintana stated that charging different fees for non-residents is bad business. She is an instructor for one of the programs and has watched enrollment increase when she decreased the non-resident surcharge.
- Laura Vaughan previously lived in unincorporated Menlo Park and felt outcast from the community by not being able to participate in City programs

- Erin Glanville offered financial data and revenue analysis services to find alternative models to help families, small business owners and the City

Council directed staff to review how far outside City limits are those who register for classes, the number of resident participants versus non-residents in classes that are full and not full, the impact of sliding surcharges for classes that aren't full, Measure T impacts, consideration of a membership model, and review of the 35% surcharge.

F. REGULAR BUSINESS

- F1.** Adopt a resolution authorizing the installation of stop signs at the northerly and southerly ends of Wallea Drive at San Mateo Drive ([Staff report # 14-076](#))

This item is continued to the June 17th Council meeting.

- F2.** Approve by **Resolution 6198** a Memorandum of Agreement regarding funding to share in the cost of an animal care shelter on Airport Boulevard in San Mateo to serve Menlo Park and other local municipalities ([Staff report # 14-077](#))([presentation](#))

Staff presentation by City Manager Alex McIntyre

ACTION: Motion and second (Keith/Ohtaki) to approve by **Resolution 6198** a Memorandum of Agreement regarding funding to share in the cost of an animal care shelter on Airport Boulevard in San Mateo to serve Menlo Park and other local municipalities with the added condition that the City look into other options such as Palo Alto, SAVACA that offer the same or better services passes unanimously.

- F3.** Provide general feedback to the Parks and Recreation Commission regarding non-resident fees and registration procedures for Community Services Programs

This item was called earlier in the meeting.

G. CITY MANAGER'S REPORT – None

H. WRITTEN COMMUNICATION – None

I. INFORMATIONAL ITEMS – None

J. COUNCILMEMBER REPORTS – None

K. PUBLIC COMMENT #2

There was no public comment.

L. ADJOURNMENT at 9:30 p.m.

Pamela Aguilar
City Clerk



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

**Tuesday, May 13, 2014
6:45 P.M.**

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

6:45 P.M. CLOSED SESSION (1st floor Council Conference Room, Administration Building)

Mayor Mueller called the Closed Session to order at 6:45 p.m. Councilmember Keith was not present.

Public Comment:

Whitney Loy, Menlo Park employee, expressed concern regarding the length of the negotiation process.

CL1. Closed Session pursuant to Government Code Section §54957 to conference with labor negotiators regarding labor negotiations with the Police Officers Association (POA) and Service Employees International Union (SEIU)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director, Drew Corbett, Finance Director, and Charles Sakai, Labor Attorney

7:00 P.M. REGULAR SESSION

Mayor Mueller called the meeting to order at 7:09 p.m. with all Councilmembers present.

Mayor Mueller led the pledge of allegiance.

ANNOUNCEMENTS - None

REPORT FROM CLOSED SESSION

There was no reportable action from Closed Session. Mayor Mueller stated the Closed Session will continue after the Regular Meeting.

At this point, Mayor Mueller called Agenda **Items A1 and A2** out of order.

A1. Proclamation declaring Public Works Week: May 18-24, 2014 ([proclamation](#))

Public Works Director Chip Taylor gave a brief presentation of the department's accomplishments. Public Works employees Hugo Torres and Rene Punsalan were also individually recognized for their work.

A2. Proclamation presented to Diana Sunshine and Josh Becker and Las Lomitas School District Measure S school bond campaign chairs ([proclamation](#))

Diana Sunshine and Josh Becker accepted the proclamation.

At this point, Mayor Mueller called **Item C**, Public Comment, out of order. City Attorney Bill McClure is recused from hearing public comment regarding the El Camino Real/Downtown Specific Plan due to the proximity of his business office to the subject location and exited the Council chambers at 7:35 p.m.

C. PUBLIC COMMENT #1

- Steve Schmidt spoke in support of the Save Menlo initiative and asked Council to adopt the proposed ordinance
- Paul Collachi asked Council to review a past public benefit feasibility study when reviewing current impact reports that they will receive
- Jack Morris spoke in support of the initiative petition
- Heyward Robinson spoke in support of the initiative petition
- Kelly Fergusson spoke in support of the initiative petition
- Mary Jo Borak asked Council to take a closer look at the Specific Plan
- Patti Fry spoke in support of the initiative petition and stated that during the circulation period they were able to register new voters
- Andy Cohen spoke regarding the past study on public benefit

At this point, Mayor Mueller called **Items B1 and B2** out of order. City Attorney McClure returned to the Council chambers at 7:55 p.m.

B1. Environmental Quality Commission quarterly report on the status of their 2-year work plan
Commission Chair Chris DeCardy gave an update regarding the commission's work in the areas of climate, trees and water.

B2. Housing Commission quarterly report on the status of their 2-year work plan
Commission Chair Carolyn Clarke asked that this item be continued.

SS. STUDY SESSION

SS1. Review and generally affirm the proposal from MidPen for a \$3.2 million loan from the Below Market Rate Fund for an affordable senior housing development at 1221-1275 Willow Road ([Staff report #14-068](#))([presentation](#))

Assistant City Manager Starla Jerome-Robinson introduced the item and provided a brief overview of the project. Presentation by Matt Franklin and Jan Lindenthal of Mid-Pen Housing ([2nd presentation](#)).

There was consensus among Council to direct staff to proceed with the funding proposal from Mid-Pen Housing.

A. PRESENTATIONS AND PROCLAMATIONS

A1. Proclamation declaring Public Works Week (May 18-24, 2014)
This item was called earlier in the meeting.

A2. Proclamation presented to Diana Sunshine and Josh Becker and Las Lomitas School District Measure S school bond campaign chairs
This item was called earlier in the meeting.

B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS

B1. Environmental Quality Commission quarterly report on the status of their 2-year work plan
This item was called earlier in the meeting.

B2. Housing Commission quarterly report on the status of their 2-year work plan
This item was called earlier in the meeting.

C. Public Comment #1: This item was called earlier in the meeting.

D. CONSENT CALENDAR

- D1.** Adopt **Resolution 6199** giving preliminary approval of the Engineer's Report for the Menlo Park Landscaping District for fiscal year 2014-15 which proposes an increase of 2.99 percent to the tree portion of the assessment and no increase to the sidewalk portion of the assessment; adopt **Resolution 6200** of Intent to order the levy and collection of assessments for the Menlo Park Landscaping District for Fiscal Year 2014-15; and set the date for the Public Hearing for June 17, 2014 ([Staff report #14-081](#))
- D2.** Adopt a resolution to amend and replace Resolution No. 6165 which conditionally approved vacation and abandonment of a portion of Louise Street ([Staff report #14-084](#))
- D3.** Waive the reading and adopt ordinances amending the Zoning Ordinance to address Housing Element Implementation Programs related to Secondary Dwelling Units and Accessory Buildings and Structures ([Staff report #14-082](#))
- D4.** Accept Council minutes for the meeting of April 29, 2014 (continued from May 6, 2014 Council meeting) ([Attachment](#))

Mayor Mueller pulled Item D3 from the Consent Calendar and continued Item D4 to the next Council meeting.

Item D-2, *Adopt a resolution to amend and replace Resolution No. 6165 which conditionally approved vacation and abandonment of a portion of Louise Street*, was pulled from the Consent Calendar for further discussion.

ACTION: Motion and second (Cline/Keith) to approve Item D1 on the Consent Calendar passes unanimously.

Mayor Mueller is recused from hearing Item D2 due to the proximity of his residence property to the subject location and exited the Council chambers at 9:01 p.m. City Attorney McClure stated that a modification was made to the resolution presented with the staff report for Item D2.

ACTION: Motion and second (Cline/Keith) to adopt **Resolution 6201** as amended to amend and replace Resolution No. 6165 which conditionally approved vacation and abandonment of a portion of Louise Street passes (4-0-1, Mueller recused)

Mayor Mueller returned to the Council chambers at 9:06 p.m.

ACTION: Motion and second (Ohtaki/Cline) to waive the second reading and adopt **Ordinances 1005 and 1006** to address Housing Element Implementation Programs related to Secondary Dwelling Units and Accessory Buildings and Structures passes 4-1 (Mueller dissents).

E. PUBLIC HEARING – Continued from the April 29, 2014 Council meeting

- E1.** Adopt a resolution amending the City's Master Fee Schedule to incorporate proposed changes in fees to become effective July 14, 2014 for the Community Development Department and provide guidance regarding potential fee reductions or waivers for secondary dwelling units ([Staff report #14-085](#)) ([presentation](#))
Staff presentation by Community Development Manager Justin Murphy.

Mayor Mueller opened the Public Hearing. There was no public comment.

Motion and second (Cline/Carlton) to close the Public Hearing passes unanimously.

ACTION: Motion and second (Cline/Keith) to adopt **Resolution 6202** amending the City's Master Fee Schedule to incorporate proposed changes in fees to become effective July 14, 2014 for the Community Development Department and provide guidance regarding potential fee reductions or waivers for secondary dwelling units passes 4-1 (Ohtaki dissents)

F. REGULAR BUSINESS

F1. Request for City Council to consider adoption of a resolution or introduction of an ordinance regarding the use of Automated License Plate Readers and neighborhood surveillance cameras ([Staff report #14-083](#))([presentation](#))
Staff presentation by Police Commander Dave Bertini and Chief Bob Jonsen.

Councilmember Ohtaki made a motion to adopt a resolution regarding the use of Automated License Plate Readers and neighborhood surveillance cameras. Without a second, the motion dies.

ACTION: Motion and second (Cline/Keith) to introduce an ordinance regarding the use of Automated License Plate Readers and neighborhood surveillance cameras passes 3-2 (Carlton, Ohtaki dissent)

At this time, Mayor Mueller called **Item F3** out of order.

F3. Discuss and provide direction regarding the following pieces of legislation: a) HR 29 (Gomez) Relative to outsourcing public services, b) AB 2126 (Bonta) Meyers-Milias-Brown Act: mediation, c) AB 1522 (Gonzalez) Employment: paid sick days, d) AB 2378 (Perea) Worker's Comp: temp disability payments, and e) AB 1690 (Gordon) Local Planning: Housing Elements ([Staff report #14-086](#))
City Manager Alex McIntyre introduced the items.

Public Comment:

- Jeremy Dennis, Office of Assemblyman Rich Gordon, spoke regarding AB 1690 and was available for Council questions

ACTION: Motion and second (Carlton/Cline) to support AB 1690 and to table the remainder of the legislative items to a future meeting passes 4-1 (Keith dissents).

ACTION: Motion and second (Ohtaki/Keith) to prepare a position paper in opposition to HR 29 passes unanimously.

F2. Approve a modification to the Fiscal Year 2013-14 budget to appropriate \$30,000 from the Capital Improvement Program Fund Balance for the Santa Cruz Avenue Enhanced On-Street Seating Pilot Program as well as the design for the Santa Cruz Avenue Enhanced On-Street Seating Pilot Program ([Staff report #14-087](#))([presentation](#))([handout](#))
Staff presentation by Economic Development Manager Jim Cogan

ACTION: Motion and second (Ohtaki/Carlton) to approve a modification to the Fiscal Year 2013-14 budget to appropriate \$30,000 from the Capital Improvement Program Fund Balance for the Santa Cruz Avenue Enhanced On-Street Seating Pilot Program as well as the design for the Santa Cruz Avenue Enhanced On-Street Seating Pilot Program passes unanimously.

G. CITY MANAGER'S REPORT

City Manager McIntyre gave a brief report on the status of the Administrative Services review.

H. WRITTEN COMMUNICATION – None

I. INFORMATIONAL ITEMS

- I1. Quarterly financial review of General Fund operations as of March 31, 2014 ([Staff report #14-080](#))
- I2. Review of the City's Investment Portfolio as of March 31, 2014 ([Staff report #14-079](#))
- I3. Consultant selection for professional analyses of the potential impacts related to the proposed ballot initiative which would amend the Menlo Park El Camino Real/Downtown Specific Plan ([Staff report #14-088](#))
- I4. 2014 Q2 Economic Development Update ([Staff report #14-089](#))
- I5. 2014 Menlo Park Economic Development Strategic Plan Phase 1: Economic Trends Report ([Staff report #14-090](#))

J. COUNCILMEMBER REPORTS

Mayor Mueller reported that he received an advice letter from the FPPC regarding his travel to China with other Silicon Valley mayors to explore international business relations and opportunities with China.

K. PUBLIC COMMENT #2

There was no public comment.

L. ADJOURNMENT to Closed Session in the Council Conference Room of City Hall at 11:20 p.m. All Councilmembers were present.

The Closed Session adjourned at 12:30 a.m. on May 14, 2014 with no reportable action.

Pamela Aguilar
City Clerk



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

**Tuesday, May 20, 2014
7:15 P.M.**

**701 Laurel Street, Menlo Park, CA 94025
City Council Conference Room
1st floor City Hall Administration Building**

7:15 P.M. CLOSED SESSION

Mayor Mueller called the Closed Session to order at 7:15 p.m. with all Councilmembers present. Councilmember Ohtaki appeared by telephone.

There was no Public Comment.

CL1. Closed Session pursuant to Government Code Section §54957 to conference with labor negotiators regarding labor negotiations with the Police Officers Association (POA) and Service Employees International Union (SEIU)

Attendees: Alex McIntyre, City Manager, Starla Jerome-Robinson, Assistant City Manager, Bill McClure, City Attorney, Gina Donnelly, Human Resources Director, Drew Corbett, Finance Director, and Charles Sakai, Labor Attorney

CL2. Closed Session pursuant to Government Code Section §54957:
City Manager Employment Contract

ADJOURNMENT at 7:37 p.m. There was no reportable action from this Closed Session.

Pamela Aguilar
City Clerk

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-095

Agenda Item #: E-1

PUBLIC HEARING: **Adopt a Resolution Authorizing Collection of a Regulatory Fee at Existing Rates to Implement the Local City of Menlo Park Storm Water Management Program for Fiscal Year 2014-15**

RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing collection of a regulatory fee at existing rates to implement the local City of Menlo Park Storm Water Management Program for FY 2014-15.

BACKGROUND

Two types of stormwater related fees and charges are funded by Menlo Park residents: a local regulatory fee, applicable to the City of Menlo Park only, and a countywide fee applicable to general program activities benefitting all agencies within San Mateo County. The City Council is currently scheduled to consider authorization of both fees on June 3, 2014. The following background information is specific to the local program.

In 1991, the San Francisco Bay Regional Water Quality Control Board (Board) issued a Municipal Storm Water Permit to San Mateo County and its 21 incorporated cities. The permit, issued under the National Pollution Discharge Elimination System (NPDES) program, was intended to protect surface water quality against a variety of pollutants, and has been updated by the Board several times, with new and more stringent requirements added.

The Board adopted the current Municipal Regional Stormwater Permit (MRP) in October 2009 which became effective on December 1, 2009 and expires on November 30, 2014. All member agencies will need to renegotiate terms for new permit which will most likely have increases in requirements and cost. The MRP incorporates the following 14 provisions (C.2 through C.15) with goals, tasks, schedules, and reporting requirements to be completed in order to be compliant with the NPDES permit. The MRP is available on the City’s website under “Public Works – Engineering Division - [Stormwater Quality](#).”

<u>Provision</u>	<u>Title</u>
C.2	Municipal Operations
C.3	New Development and Redevelopment

- C.4 Industrial and Commercial Site Controls
- C.5 Illicit Discharge Detection and Elimination
- C.6 Construction Site Control
- C.7 Public Information and Outreach
- C.8 Water Quality Monitoring
- C.9 Pesticides Toxicity Control
- C.10 Trash Load Reduction
- C.11 Mercury Controls
- C.12 Polychlorinated Biphenyls (PCBs) Controls
- C.13 Copper Controls
- C.14 Polybrominated Diphenyl Ethers (PBDE), Legacy Pesticides and Selenium
- C.15 Exempted and Conditionally Exempted Discharges

The MRP also requires that the City provide funding for adopting, enforcing, and implementing the provisions listed above. In July 1994, the City Council adopted Ordinance No. 859, "Storm Water Management Program." Article V of the ordinance established a regulatory fee to address the need for a separate local funding mechanism to fund the City's Storm Water Management Program, and requires the City to implement the regulatory fee on an annual basis.

ANALYSIS

The recommended authorization allows the City to continue to collect storm water fees at the existing rates from all developed parcels within the City boundaries. Fees are based upon the impervious area of each individual parcel.

The following table lists the proposed program budget for FY 2014-15. Staff anticipates that the Council will approve this budget as part of the overall City budget scheduled for adoption June 17, 2014.

	Program Items	2014-15 Proposed Budget
1	Staff administration and operating costs. City's cost for personnel and operating expenses to implement the requirements of the MRP, including reporting, participation in Technical Advisory Committee and subcommittees, creek management efforts and administration of the street sweeping program.	\$197,744
2	Storm drain/creek cleaning. Maintenance programs to clean storm drain inlets, San Francisquito Creek, and Atherton Channel.	\$38,000
3	Creek cleanup and monitoring. Contract with the City of Redwood City for creek cleanup and monitoring.	\$50,000
4	Watershed Council. City's contribution to the San Francisquito Creek Watershed Council for coordination of educational, maintenance, watershed planning, and other issues.	\$7,500
5	General and Administrative Overhead. City's obligation to the General Fund for Finance and Administrative Services.	\$37,582

6	Miscellaneous professional services. Stenciling of storm drains, updating the storm drain base map, geographic information services development, public information brochures, etc.	\$8,500
	Total	\$339,326

Fee Structure

The current annual fee is based on a rate of \$5.25 per 1,000 square feet of impervious area for each property in the community. The fee for single-family residences varies depending on the amount of impervious area and the size of the lot. Staff proposes no change to the fee structure in FY 2014-15. (Increasing the fee would require the City to conduct a property-owner voting procedure in accordance with State Proposition 218.) The average annual fee will continue to be \$16 in the Belle Haven neighborhood, \$18 in the Willows, \$20 in Central Menlo Park and \$26 in Sharon Heights. The annual fee for a typical commercial property downtown along Santa Cruz Avenue with a 5,000 square-foot lot will remain at \$26.25.

Credit Towards Reduction of Regulatory Fee

As an incentive to commercial and industrial property owners, the City continues to provide a credit of up to 25 percent of the regulatory fee if the property meets certain Best Management Practices (BMPs). Common BMPs include: storm drain inlet stenciling, providing proof of a vacuum sweeping contract, training employees on correct disposal of potential pollutants, and implementation of landscape and pollution-control practices. Most new projects are required to use BMPs during construction, but implementation of new BMPs after the project has been completed and/or maintenance of existing BMPs previously installed is voluntary. The BMP credit program focuses on providing an incentive to owners of larger properties that implemented BMPs and to property owners who do not intend to develop but are interested in installing BMPs, to help protect the environment.

Staff will continue to inspect sites to determine the appropriate credit towards fee reduction based on the type of BMP used and the level of effort for maintenance. For example, labeling a storm drain does not result in the same benefit as placing an oil-sand filter in the storm drain and therefore results in a smaller credit. Staff performs inspections on an annual basis to determine whether any additional BMPs have been implemented and to verify that earlier BMPs are being maintained.

This year, 16 commercial and industrial property owners will receive credit for implementing BMPs. The property owners have installed “Drains to the Bay” labels on their storm drain inlets, vacuum swept their parking lots, trained their employees on correct disposal of potential pollutants, and implemented landscape and pollution-control practices. Consistent with prior years, the typical credit amount is approximately 15 percent.

Schedule

If the Council adopts the resolution authorizing collection of the regulatory fee at existing fee rates to implement the local City of Menlo Park Storm Water Management Program for FY 2014-15, staff will forward the fee database directly to the County for preparation of the FY 2014-15 tax bills.

IMPACT ON CITY RESOURCES

The following table shows the projected budget for the Storm Water Management Program for FY 2014-15.

<i>Proposed FY 2014-15 Budget</i>	
Projected Beginning Fund Balance	\$360,012
Estimated Revenues (based on impervious area per parcel):	\$337,895
Estimated Expenses	(\$339,326)
Projected Ending Fund Balance	\$358,581

The current fee structure is expected to generate revenues of \$337,895 in FY 2014-15. With an estimated \$360,012 carryover from the FY 2013-14 Storm Water Management Fund, sufficient funds will be available for the proposed FY 2014-15 expenditures program budget. However, annual revenues generated by the fee have not covered the increasing costs of implementing the current program requirements since FY 2001-02. The total stormwater program expenditures is \$711,709 of which the Storm Water Management Fund pays \$339,326 and the General Fund \$372,383.

The fee is subject to the requirements of Proposition 218 as a property-related fee, thus any increase would be subject to voter approval. Yearly fund balances have made up the difference, but will not be sufficient to meet any new demands or unexpected expenses. With a projected FY 2014-15 end fund balance of \$358,581, and with the increased costs to implement current MRP requirements, there may be a need to increase fees in the near future.

The City Council approved a Storm Drainage Fee Study as a project priority in FY 2007-08. The study would evaluate funding options to address increased regulatory requirements and the need to fund long-term storm drainage improvements. A report to the Council on storm drainage fees was postponed because the City/County Association of Governments (C/CAG) has been assembling information and conducting preliminary research to determine if voters would support a countywide assessment to fund stormwater programs. C/CAG is currently analyzing funding a stormwater assessment through a Proposition 218 vote.

The staff recommendation preserves funding at the current level which is sufficient to cover the cost of this program for FY 2014-15.

POLICY ISSUES

The staff recommendation will allow the City to continue its Stormwater Management activities at the current level through FY 2014-15. It is important to note that the program has been successful in reporting requirements, public education, business inspections, municipal maintenance, and development related requirements.

ENVIRONMENTAL REVIEW

Environmental review is not required for this action.

PUBLIC NOTICE

Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting and publishing legal notices on May 21, 2014 and May 28, 2014 in *The Daily News*.

ATTACHMENTS

A. Resolution

Report prepared by:
Erendira Romero
Business Manager

Ruben Niño
Assistant Public Works Director

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RESOLUTION NO.**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AUTHORIZE COLLECTION OF A REGULATORY FEE AT EXISTING RATES TO IMPLEMENT THE LOCAL CITY OF MENLO PARK STORM WATER MANAGEMENT PROGRAM FOR FISCAL YEAR 2014-15**

WHEREAS, Section 402(p) of the Clean Water Act (33 U.S.C. 1251 et seq.) as amended by the Water Quality Control Act of 1987, requires that all large and medium-sized incorporated municipalities must effectively prohibit non-storm water discharges into storm sewers; and further requires controls to reduce the discharge of pollutants from storm water systems to waters of the United States to the maximum extent practicable; and

WHEREAS, the City of Menlo Park, in conjunction with all of the incorporated cities in San Mateo County, has prepared the Storm Water Management Plan, which has a General Program to be administered and funded through the San Mateo County Flood Control District, and a specific program for each city, to be administered and funded by each city; and

WHEREAS, the Menlo Park specific program includes those efforts and programs required to be undertaken by the City of Menlo Park to support and address its responsibility to regulate and enforce local pollution control components under the Storm Water Management Plan; and

WHEREAS, the Menlo Park City Council is authorized and/or mandated by Ordinance No. 859 adopted on July 12, 1994, and including the following federal and/or state statutes: the federal Clean Water Act as amended in 1987; the National Pollutant Discharge Elimination System Permit Application Regulations for Stormwater Discharges; the California Constitution, Article XI, Section 7 of the California Water Code Section 13002; and Part 3 of Division 5 of the California Health and Safety Code, to impose a regulatory fee to enforce the local storm water pollution control components of the San Mateo County Stormwater Management Plan upon the businesses, entities, residents, and unimproved properties of the City of Menlo Park; and

WHEREAS, that the City Council of the City of Menlo Park conducted a noticed public hearing to consider this resolution as part of an overall plan addressing, regulating, and reducing non-point source pollution discharges within the City of Menlo Park, and including regulatory fees necessary to ensure local compliance with the federal and/or state statutes.

NOW THEREFORE BE IT RESOLVED AND IS HEREBY FOUND, DETERMINED, AND ORDERED AS FOLLOWS:

1. That the Assistant Public Works Director for the City of Menlo Park is the authorized collection agent for the regulatory fees authorized and/or mandated by federal

and/or state statutes, and is hereinafter empowered to collect, contract for collection, enforce, and/or institute other proceedings necessary for the collection of the regulatory fee.

2. That the Assistant Public Works Director is hereby directed to file, or cause to be filed, the amount of regulatory fees as described and shown on the attached Exhibit "A" including the diagram shown on the County Assessor's maps to be imposed and the parcels upon which such regulatory fees are imposed, with the County Auditor and/or the County Tax Collector of the County of San Mateo no later than early August 2014. For each parcel upon which a regulatory fee has been imposed, the regulatory fee shall appear as a separate item on the tax bill and shall be levied and collected at the same time and in the same manner as the general tax levy for City purposes.
3. That the Public Works Director is authorized to enter into those agreements necessary to have the County of San Mateo perform the regulatory fee collection services required; and the City Council hereby authorizes the County of San Mateo to perform such services, and for the City to pay the County of San Mateo for the reasonable costs of those collection services so provided.

BE IT FURTHER RESOLVED that said Council authorized the establishment of a Regulatory Fee imposed to pay for costs to implement the Storm Water Management Program in accordance with Exhibit "A" attached hereto and incorporated herein by this reference.

I, Pamela Aguilar, City Clerk of Menlo Park, do hereby certify that the above and foregoing Council Resolution was duly and regularly passed and adopted at a Public Hearing held by the City Council of the City of Menlo Park on the third day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the City of Menlo Park this third day of June, 2014.

Pamela Aguilar
City Clerk

EXHIBIT "A"

CITY OF MENLO PARK

Storm Water Management Program Regulatory Fee

Fiscal Year 2014-15

All Residential/Commercial/Industrial

All residential/commercial/industrial properties and other non-residential properties shall pay \$.00525 per square foot of impervious area.

Exempt from fee: Federal, State, County, Flood Plain, and City Government parcels.

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PUBLIC WORKS DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-096

Agenda Item #: E-2

PUBLIC HEARING: **Adopt a Resolution Recommending that the San Mateo County Flood Control District Impose Basic Charges at Existing Rate and Increasing the Additional Charges for Funding the Fiscal Year 2014-15 Countywide National Pollutant Discharge Elimination System General Program**

RECOMMENDATION

Staff proposes that the City Council adopt a resolution recommending that the San Mateo County Flood Control District impose basic charges at existing rates and increasing the additional charges for funding the FY 2014-15 Countywide National Pollution Discharge Elimination System (NPDES) General Program.

BACKGROUND

Two types of stormwater related fees and charges are funded by Menlo Park property owners: a local regulatory fee, applicable to the City of Menlo Park only, and a countywide fee, which is applicable to general program activities benefitting all agencies within San Mateo County. The City Council is currently scheduled to consider authorization of both fees. The following background information is specific to the countywide program.

In 1991, the San Francisco Bay Regional Water Quality Control Board (Board) issued a NPDES Municipal Storm Water Permit to San Mateo County and its 21 incorporated cities. The permit required the cities and County to implement a Stormwater Management Program (SWMP) to reduce the pollution of waterways. Since the original permit was issued, the Board has reviewed the permit and requires that the SWMP be updated every five years.

Since 1992, the San Mateo County Flood Control District has been collecting fees on behalf of the cities to pay for the portion of the SWMP that benefits all agencies in the County. This has been an effective approach in minimizing the costs of implementing the SWMP. The charges imposed by the County Flood Control District pay for the costs of the General Program (program elements benefitting all 21 co-permittees). A detailed description of the services provided by the General Program is included within the analysis, below.

The Board adopted the Municipal Regional Stormwater Permit (MRP) in October 2009, with an effective date of December 1, 2009 and which expires on November 30, 2014. The MRP incorporates the following 14 provisions (C.2 through C.15) with goals, tasks, schedules, and reporting requirements to be completed in order to be in compliance with the NPDES permit. The MRP is available on the City's website under "Public Works - Stormwater Quality."

<u>Provision</u>	<u>Title</u>
C.2	Municipal Operations
C.3	New Development and Redevelopment
C.4	Industrial and Commercial Site Controls
C.5	Illicit Discharge Detection and Elimination
C.6	Construction Site Control
C.7	Public Information and Outreach
C.8	Water Quality Monitoring
C.9	Pesticides Toxicity Control
C.10	Trash Load Reduction
C.11	Mercury Controls
C.12	Polychlorinated Biphenyls (PCBs) Controls
C.13	Copper Controls
C.14	Polybrominated Diphenyl Ethers (PBDE), Legacy Pesticides and Selenium
C.15	Exempted and Conditionally Exempted Discharges

ANALYSIS

The San Mateo Countywide Water Pollution Prevention Program (Program) is responsible for coordinating the activities that benefit all 21 agency co-permittees involved with the implementation of the Stormwater Management Plan. The Program also ensures adherence to the conditions set forth under the Countywide NPDES permit. The following NPDES Permit items are funded by fees generated throughout the County and used to administer the General (Countywide) Program.

Program Coordination

- A Regional Permit Coordinator chairs two main committees - Stormwater and Technical Advisory Committees and seven major subcommittees - Municipal Government Maintenance, Industrial and Illicit Discharge, New Development/Redevelopment, Trash and Parks Maintenance Integrated Pest Management Public Information and Participation and Watershed Monitoring. The Permit Coordinator interfaces between the committees and subcommittees,

consultant administrator and the Regional Board, and helps establish the annual budget.

- A consultant administrator attends all subcommittee meetings, produces meeting minutes, reports on current legislation affecting municipalities, and helps the Program agencies meet the requirements of the General Permit.

Develop and Implement Performance Standards

- The consultant administrator develops training materials, graphs, spreadsheets, documents, and timelines that assist the municipalities in reporting on and complying with the various permit requirements.

Performance Monitoring

- The consultant administrator develops, distributes, collects, tabulates various performance-monitoring report information, and submits it to the Regional Board.
- The consultant administrator evaluates the effectiveness of implemented controls in the areas of municipal maintenance; commercial, industrial, and illicit discharge; public information/participation; new development/redevelopment; and watershed monitoring.

Publications and Education Programs

- The consultant administrator develops and implements the public information and participation program including website development, brochures, outreach programs in the local schools and training flyers, as required by the General Permit to educate the public.

Funding

The total budget for the Countywide SWMP proposed for FY 2014-15 is \$3,760,116, a decrease of 2 percent under the FY 2013-14 budget (\$3,830,880). The budget must be approved by the City and County Association of Governments (C/CAG), which deals with issues that affect the quality of life in general in San Mateo County, including storm water runoff. The proposed Program FY 2014-15 budget will be presented to the C/CAG board on July 15, 2014 for approval. The proposed budget utilizes outside revenue in the form of Measure M – Vehicle Registration Fee, grant revenues, and a portion of the program’s reserves.

The fee collected by the County consists of two separate charges covering the “Basic” and “Additional” Fees. The Basic Fee does not change from year-to-year, whereas the Additional Fee was structured to change by a percentage equal to the movement in the Consumer Price Index (Bureau of Labor, Urban Wage Earners), a 1.02 percent increase from February 2013 to February 2014. As a result, the County is proposing that the “Additional” Fee be increased for FY 2014-15.

Fee increases to be collected by the County vary, depending upon the land use category. The Additional Fee is proposed to increase next fiscal year by \$0.04 per parcel for Miscellaneous, Agricultural, Vacant, and Condominium land uses and by \$0.08 per parcel for all other land uses. The current and proposed annual fees are shown in the following table:

Land Use Category	Current Fee FY 2013-14		Proposed Fee FY 2014-15		Proposed Total Fee Increase per Parcel
Single Family Residence (per parcel)	Basic	\$3.44	Basic	\$3.44	\$0.06
	Additional	<u>\$3.16</u>	Additional	<u>\$3.22</u>	
	Total	\$6.60	Total	\$6.66	
Miscellaneous, Agriculture, Vacant, and Condominium (per parcel)	Basic	\$1.72	Basic	\$1.72	\$0.04
	Additional	<u>\$1.58</u>	Additional	<u>\$1.62</u>	
	Total	\$3.30	Total	\$3.34	
All Other Land Uses (per parcel)	Basic	\$3.44	Basic	\$3.44	\$0.06
	Additional	<u>\$3.16</u>	Additional	<u>\$3.22</u>	
	Total	\$6.60	Total	\$6.66	
	(\$6.60 for the first 11,000 sq. ft.; \$0.60 for each additional 1,000 sq. ft.)		(\$6.66 for the first 11,000 sq. ft.; \$0.62 for each additional 1,000 sq. ft.)		
	*\$0.32 Basic fee, \$0.28 Additional fee		*\$0.32 Basic fee, \$0.30 Additional fee	\$0.02	

IMPACT ON CITY RESOURCES

The estimated share of County revenues to be collected on behalf of the City of Menlo Park from the FY 2014-15 Countywide program is \$85,156, based on the above rates per parcel. By adopting the attached resolution, Council is authorizing the County to levy these fees on Menlo Park properties and to use the revenue for Countywide storm water management activities. If the Council chooses not to have the County collect these fees, the impact on City resources will be approximately \$85,156 as the City is required by the NPDES permit to participate in the program.

POLICY ISSUES

The staff recommendation will result in the City's continuing ability to comply with the NPDES permit and to participate in the regional Program.

ENVIRONMENTAL REVIEW

Environmental review is not required for this action.

PUBLIC NOTICE

Public Notification consists of posting the agenda, with this item being listed, at least 72 hours prior to the meeting, and publishing legal notices on May 21, 2014 and May 28, 2014 in *The Daily News*.

ATTACHMENTS

A. Resolution

Report prepared by:
Erendira Romero
Business Manager

Ruben Niño
Assistant Director of Public Works

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RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
RECOMMENDING THAT THE SAN MATEO COUNTY FLOOD CONTROL
DISTRICT IMPOSE BASIC CHARGES AT EXISTING RATE AND INCREASING
THE ADDITIONAL CHARGES FOR FUNDING THE SCOPE OF WORK FOR
THE FISCAL YEAR 2014-15 COUNTYWIDE NATIONAL POLLUTANT
DISCHARGE ELIMINATION SYSTEM (NPDES) GENERAL PROGRAM**

WHEREAS, the Environmental Protection Agency, under amendments to the 1987 Federal Clean Water Act, imposed regulations that mandate local governments to control and reduce the amount of stormwater pollutant runoff into receiving waters; and

WHEREAS, under the authority of California Porter-Cologne Water Quality Act, the State Water Resources Control Board has delegated authority to its regional boards to invoke permitting requirements upon counties and cities; and

WHEREAS, in July 1991, the San Francisco Bay Regional Water Quality Control Board notified San Mateo County of the requirement to submit an NPDES Permit Application by November 30, 1992; and

WHEREAS, in furtherance of the NPDES Permit Process, San Mateo County in conjunction with all incorporated cities in San Mateo County has prepared a San Mateo Countywide Stormwater Management Plan which has a General Program as a fundamental component of the Management Plan; and

WHEREAS, the San Francisco Bay Regional Water Quality Control Board, after a Public Hearing, approved the Renewed NPDES Permit CAS0029921, effective July 21, 1999, and which expired July 20, 2004; and

WHEREAS, with the complete and timely application by the San Mateo Countywide Stormwater Pollution Prevention Program for Permit renewal submitted on January 23, 2004, the San Francisco Bay Regional Water Quality Control Board administratively extended the expiration of said Permit until such time as a Public Hearing is held and the application is considered; and

WHEREAS, the San Francisco Bay Regional Water Quality Control Board adopted NPDES Permit CAS612008 on October 14, 2009, effective December 1, 2009, and which expires on November 30, 2014; and

WHEREAS, the San Mateo County Flood Control District Act, as amended by the State Legislature in 1992 (Assembly Bill 2635), authorized the San Mateo County Flood Control District ("District") to impose charges to fund storm drainage programs such as the NPDES Countywide General Program; and

WHEREAS, the Basic Annual Charges and Additional Annual Charges for FY 2014-15, when adopted, would be necessary to fund a \$3,760,116 Budget for FY 2014-15, and are as follows:

Basic Annual Charges;

- Single Family Residence: \$3.44/APN
- Miscellaneous, Agriculture, Vacant, and Condominium: \$1.72/APN
- All Other Land Uses: \$3.44/APN for the first 11,000 square feet plus \$0.32 per 1,000 additional square feet of parcel area.

Additional Annual Charges (Adjusted Annually by C.P.I.);

- Single Family Residence: \$3.22/APN
- Miscellaneous, Agriculture, Vacant, and Condominium: \$1.62/APN
- All Other Land Uses: \$3.22/APN for the first 11,000 square feet plus \$0.30 per 1,000 additional square feet of parcel area.

WHEREAS, the charges are in the nature of a sewer service charge in that they are intended to fund a federally mandated program the purpose of which is to create waste treatment management planning processes to reduce the amount of pollutants in discharges from property into municipal storm water systems which, in turn, discharge into the waters of the United States; and

WHEREAS, the City of Menlo Park has held a meeting upon the proposal to fund the Countywide NPDES General Program through the San Mateo County Flood Control District; the City Council makes the below resolve following that meeting.

NOW THEREFORE, BE IT RESOLVED AND IS HEREBY FOUND, DETERMINED, AND ORDERED AS FOLLOWS:

1. The City of Menlo Park respectfully requests the San Mateo County Board of Supervisors, acting as the governing board of the San Mateo County Flood Control District, to impose those basic charges at existing rate and increasing the additional charges necessary to fund the FY 2014-15 Countywide NPDES General Program; and
2. The City of Menlo Park requests that all properties within the territorial limits of said City be charged the basic and additional annual charges in accordance with said charges stated above; and
3. The City Clerk is hereby directed to forward copies of this Resolution to the Clerk of the San Mateo County Board of Supervisors, the San Mateo County Flood Control District, the San Mateo County Engineer, and to the NPDES Coordinator of C/CAG.

I, Pamela Aguilar, City Clerk of Menlo Park, do hereby certify that the foregoing Council Resolution was duly and regularly passed and adopted at a meeting by said Council on the third day of June, 2014, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this third day of June 2014.

Pamela Aguilar
City Clerk



ADMINISTRATIVE SERVICES DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-099

Agenda Item #: E-3

PUBLIC HEARING: **Public Hearing on Fiscal Year 2014-15 Budget and Capital Improvement Program**

RECOMMENDATION

Staff recommends that the City Council hold a public hearing on the proposed fiscal year 2014-15 budget and capital improvement program and provide direction on any desired changes. Council's direction will be incorporated into the staff report for the adoption of the fiscal year 2014-15 budget, which is scheduled for June 17th.

BACKGROUND

The City Manager's proposed fiscal year 2014-15 budget was delivered to Council on May 22, 2014, and it was posted to the City's website that same day. A comprehensive budget workshop was held on May 27, 2014, and can be viewed on line.

Prior to Council's adoption of the budget, which is scheduled for June 17, 2014, a public hearing is held to take public comment on the proposed budget and capital improvement program. The operating budget was developed using the guidance Council provided at its January 27, 2014, goal setting workshop, and all of Council's priority goals have been proposed for funding in fiscal year 2014-15. In addition, the capital improvement program has been reviewed by all of the appropriate boards and commissions, with their feedback provided to Council at the March 18, 2014, Council meeting where the 5-year capital improvement program was presented.

The budget document itself was completely overhauled from last fiscal year's version in an effort to make the document more understandable for Council, staff, members of the public, and others. New elements of the document include enhanced information on department operations, more detailed information on the non-General Fund funds, more historical financial trend data, and consolidated summaries of Citywide and General Fund resources and requirements. Further, a comprehensive overview of the proposed fiscal year 2014-15 budget was included in the City Manager's Budget Message, which is included as the first section of the budget document.

In addition to the adoption of the fiscal year 2014-15 budget and capital improvement program, there will be three other actions requested of Council as a part of the overall budget adoption process on June 17th. These actions are to establish the City's

appropriations limit for fiscal year 2014-15, affirm the need for the continuation of the Utility Users' Tax, and establish a continuation of the temporary reduction in Utility Users' Tax rates to maintain the current one percent rate. These three actions are discussed in more detail in the next section of this staff report.

ANALYSIS

Fiscal Year 2014-15 Budget

The proposed Citywide budget for fiscal year 2014-15 is \$72.1 million and includes \$59.1 million for department operations, \$8.3 million for projects, \$2.1 million to cover debt service, and \$2.6 million for transfers. Of the \$59.1 million in department operations, \$33.7 million is personnel, \$17.0 million is operating, and \$8.4 million is services.

General Fund revenues and expenditures are both slightly under \$46.5 million, with revenues exceeding expenditures by \$29,408. As discussed in more detail in the City Manager's Budget Message, this proposed budget maintains existing levels of core services and funds all of Council's priority goals, all while remaining in balance in fiscal year 2014-15. Also as noted in the budget document, \$1.5 million in assigned fund balance is proposed for appropriation in fiscal year 2014-15 to fund additional resources for development-related activity. These funds represent revenues received in the current fiscal year for services that will not be provided until fiscal year 2014-15.

Based on assumptions related to revenue and expenditure growth, the 10-year forecast as presented in the proposed budget document is projected to have surpluses in fiscal years 2015-16 and 2016-17 before seeing a deficit starting in fiscal year 2017-18. The primary reason for the projected deficit is based on the highly speculative assumption that Excess ERAF revenue will be eliminated in fiscal year 2017-18. Further, there are potential revenue offsets to this, such as the Menlo Gateway project, that are not incorporated into the forecast. It is also important to note that the 10-year forecast is a planning tool intended to identify revenue and expenditure trends that can be used to guide decisions on how to utilize the City's resources. It is most effective when it is updated on an ongoing basis to reflect new information as it is received, and staff will continue to modify the forecast as conditions change and update Council as appropriate.

Fiscal Year 2014-15 Appropriations Limit

The appropriations limit, which was originally established in 1979 by Proposition 4, places a maximum limit on the appropriations of tax proceeds that can be made by the state, school districts, and local governments in California. The appropriations limit is set on an annual basis and is revised each year based on population growth and cost of living factors. The purpose of the appropriations limit is to preclude state and local governments from retaining excess revenues, which are required to be redistributed back to taxpayers and schools. California Government Code requires that the City annually adopt an appropriations limit for the coming fiscal year.

The appropriations limit for the City of Menlo Park for fiscal year 2014-15 is \$49,308,784, while the proceeds of taxes subject to the appropriations limit is \$30,583,860. Therefore, the City is well below its appropriations limit for fiscal year 2014-15.

Utility Users' Tax (UUT) Rate Considerations

Council will be asked to take two actions with respect to UUT at the budget adoption on June 17th. One action is to make findings that the UUT is necessary for the financial health of the City. This action is required every two years as a part of the Utility Users' Tax Ordinance, and a two-thirds vote is necessary to maintain the tax. Should a two-thirds vote affirming the continued need for the UUT not be achieved, this tax will be discontinued as of December 31, 2014.

The other action is to adopt a resolution to maintain a consecutive temporary tax reduction in Utility Users' Tax rates, which will continue the current one percent tax rate on all utilities as of October 1, 2014. Temporary tax rate reductions for a period of up to twelve months can be implemented with the specific finding provided in the UUT ordinance:

"The temporary tax reduction shall not adversely affect the City's ability to meet its financial obligations as contemplated in its current or proposed budget."

Should Council not establish a continuation of the reduced tax rate, the original tax percentages will be automatically reinstated as of October 1, 2014.

The fiscal year 2014-15 proposed budget estimates total UUT revenues of \$1.13 million. This projection is based on the assumption that Council will make the finding that UUT is necessary for the financial health of the City, and that Council will establish a continuation of the temporary tax reduction that keeps that UUT at the current one percent rate.

IMPACT ON CITY RESOURCES

As noted in the previous section, the proposed fiscal year 2014-15 budget provides for revenues exceeding expenditures by a small margin (\$29,408). This balanced budget maintains baseline services and funds all of Council's 2014 adopted goals. A more detailed discussion on General Fund revenues and expenditures is included in the *Budget Summary* section of the new budget document.

Information on the City's other funds, including a description of the fund, fiscal year 2014-15 proposed resources and requirements, and the expected ending fund balance, is included in the *Fund Information* section of the budget document. In total, requirements for the other funds are expected to exceed resources by \$578,424 in fiscal year 2014-15. In most cases, the drawdown of fund balance is not an issue, as resources are accumulated over time to fund large projects. For example, this is the case in the Transportation Impact Fee Fund and the General Capital Improvement

Fund. In other cases, however, the drawdown of fund balance is a concern because the fund is utilized for ongoing maintenance. One such fund is the Bedwell-Bayfront Park Maintenance Fund. This fund is not generating any material interest income to offset maintenance expenditures, and as a result, its fund balance is declining annually. At its current rate of decline, this fund will only be a viable source of funding for this park's maintenance for another four or five years. As such, alternate funding mechanisms or a reduction in service levels will have to be explored in the relatively near future.

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

None

Report prepared by:
Drew Corbett
Finance Director

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COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-100

Agenda Item #: I-1

INFORMATIONAL ITEM: Update on Multi-City Affordable Housing Nexus Study and Impact Fee Feasibility for Commercial and Residential Development

RECOMMENDATION

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

BACKGROUND

Below Market Rate Housing Program

The Below Market Rate (BMR) Housing Program was established in 1988 as a way to increase the housing supply for people who live and/or work in Menlo Park and have very low, low or moderate incomes as defined by income limits set by the State for each County. The primary objective of the program is to create actual housing units rather than generate a capital fund. The BMR requirements for residential development projects are a form of “inclusionary zoning” and the requirements associated with the commercial development projects are a form of “linkage fee”. Chapter 16.96 of the Zoning Ordinance authorizes the BMR Housing Program. The Program is implemented through Guidelines as adopted and amended by the City Council. Most recently, on May 6, 2014, the City Council adopted modifications to the BMR Guidelines. The revisions were primarily “clean up” items, but to also seek approval for use of BMR funds to cover the administrative costs to operate the program.

All residential developments of five or more units are subject to the City’s BMR requirements. However, application of the BMR Ordinance to rental residential projects has not been enforced since a 2009 appellate court decision (*Palmer/Sixth Street Properties v. City of Los Angeles*) that declared that the State’s Costa Hawkins Rental Housing Act preempts a local jurisdiction’s inclusionary housing law. The State Legislature passed the Costa Hawkins Rental Housing Act in 1995 to limit the extent of local rent control laws. Therefore, the current BMR Ordinance is applied to for sale residential projects of five or more units only.

Per the BMR Ordinance, proposed developments with less than 20 dwelling units are required to provide not less than 10 percent of the units at below market rate to very low-, low-, and moderate-income households while developments of 20 or more

dwelling units are required to provide a minimum of 15 percent of the units at below market rates. This requirement can be met with on-site BMR units incorporated into the project, off-site units, or when the City determines that BMR units are not feasible for the development, payment of an in-lieu fee or a combination of dedicated below market rate units with payment of an in-lieu may be acceptable. The in-lieu fee is generally calculated as a percentage of the sales price of the market rate units for which a BMR unit is not provided. The terms of the BMR Housing Agreement are reviewed by the Housing Commission and the applicable reviewing body (i.e., Planning Commission or City Council).

The BMR Ordinance also applies to commercial development of 10,000 square feet or more. Commercial development exempt from this requirement include 1) private schools and churches, 2) public facilities, 3) commercial development projects of less than 10,000 square feet, and 4) projects that generate few or no new employees. Similarly, the BMR Housing Program Guidelines provide various methods to address the requirement, including providing on-site units (if permitted in the zoning district) or off-site units, or payment of an in-lieu fee when providing the BMR units is not feasible. In October 2000, the City Council adopted the Commercial Linkage Fee Nexus Study, which confirmed the justification to charge a fee to mitigate the impacts of commercial and industrial development on affordable housing. The fees for the upcoming 2014-2015 fiscal year, are \$15.19 per square foot of new gross floor area for office and R&D uses and \$8.24 per square foot of new gross floor area of all other commercial/industrial uses. The fees are adjusted annually on July 1. The fees are collected at the time of building permit issuance and are deposited into the BMR Housing Fund. Below is a summary table of the City's current BMR Program.

Summary of BMR Ordinance and Guidelines		
	Dedicated Units	In-Lieu Fee
Residential (five or more units)		
Ownership	(5-19 units): 10% of units (>20 units): 15% of units	Percentage of sales price of market rate unit
Rental*	N/A	N/A
Commercial (net new 10,000 sf)		
Group A (Office/R&D)	If zoning permits residential, number of dwelling units based upon net new commercial square footage	\$15.19/sf
Group B (all other commercial/industrial uses)	If zoning permits residential, number of dwelling units based upon net new commercial square footage	\$8.24/sf
* Inclusionary zoning for rental developments is currently not enforceable per <i>Palmer/Sixth Street Properties v. City of Los Angeles</i> .		

ANALYSIS

Why is a Nexus Study Needed?

Since the loss of redevelopment agencies and the State court prohibition of rental inclusionary zoning, cities have increasingly relied on impact fees to support affordable housing. Generally, impact fees require new construction to pay money into a fund which, in this case is used to support affordable housing. To enact an affordable housing impact fee, cities must first conduct a nexus study that demonstrates the relationship between new housing or jobs and the need for affordable housing in the community.

The need for affordable housing is a continuing issue for San Mateo County and the region, in general. San Mateo County is often ranked as one of the least affordable areas in the State. In order to address the housing problem, save financial resources, and promote cooperation and better policy making, the City is partnering with multiple jurisdictions in San Mateo County to explore the use of impact fees on new development to fund affordable housing. This partnership stems from the City's collaboration with other San Mateo County jurisdictions as part of the City's involvement in 21 Elements. The group is appropriately called 21 Elements because for the past two housing element cycles, all 21 jurisdictions in the County have formed a sub-region to distribute the Regional Housing Needs Allocation (RHNA), to collaborate on housing policy issues and program development, and to develop materials for each jurisdiction's Housing Element.

Thirteen jurisdictions in San Mateo County, plus San Mateo County and the City of Palo Alto are participating in the nexus study.

Participating Jurisdictions	
Belmont	Pacifica
Brisbane	Palo Alto
Burlingame	Redwood City
Colma	San Bruno
Foster City	San Mateo
Half Moon Bay	South San Francisco
Menlo Park	County of San Mateo
Millbrae	

The Nexus Study would provide a defensible analysis to maintain the legal justification for inclusionary zoning and affordable housing impact fees. The Nexus Study will be customized on a city-by-city basis to allow each jurisdiction to establish individual policy. Participation in this effort would implement the City's Housing Element Program H4.D,

which calls for the preparation of an updated nexus study, and will help ensure compliance with the State Mitigation Fee Act (AB1600 – Government Code Section 66001 through 66003). The City of Foster City has taken the lead in coordinating the study, and issued a Request for Proposals (RFP) for the consultant late last Fall 2013. The firms of Strategic Economics and Vernazza Wolfe and Associates were selected to prepare the analysis and studies. The latter firm also prepared the City's Linkage Fee Nexus Study from 2000.

Scope of Work

The study contains three main tasks, including 1) affordability gap calculation, 2) residential nexus study (for-sale and rental units), and 3) commercial linkage fee nexus study. The affordability gap is defined as the difference between what a household (renter and owner) can afford to pay and the cost of a new dwelling unit. The second component is the residential nexus study, which will estimate the increase in demand for affordable housing associated with new residential development. The study will define a maximum fee that a jurisdiction could charge, either on a dwelling unit basis or square foot basis instead of a percentage of sales price, which is the current method used in Menlo Park. Lastly, the nexus study will provide a commercial linkage fee analysis to estimate the increase in demand for affordable housing that accompanies new non-residential development. Similar to the residential impact fee, a maximum commercial fee on a per square foot basis will be calculated. An outline of the scope of work is included as Attachment A.

In order to determine the maximum allowable fee, it is necessary to select a maximum income level for households (or cut-off) that will require affordable housing. To help answer this question, the consultant plans to perform the analysis for multiple income levels for comparison. The income levels are based on area median income (AMI), as defined by the California Housing and Community Development Department (HCD). The table on the next page shows the typical income ranges associated with various income groups and the selected assumptions for both rental and ownership housing. The assumptions differentiate between rental and ownership housing because rental housing is often more affordable than ownership housing, and targeting rental units at a higher AMI may result in pricing that is at or above the market value. In addition, it is common practice to have ownership units priced higher to ensure that buyers are financially capable of owning a home.

The income group cut-off affects the amount of the maximum fee that is calculated. The level is important because 1) it identifies the percentage of new employee-households that will need access to affordable housing and 2) it defines the level of affordability gap. For example, a cut-off that is lower results in a higher affordability gap. The cost of housing remains the same regardless of the income group served. The question about which income group/cut-off to select will be a policy decision for the Council to consider in the future.

Income Level (Cut-Off) for Households			
Income Category	Range	Assumptions	
		Rental Housing	Ownership Housing
Very Low	≤ 50% AMI	50% AMI	50% AMI
Low	50-80% AMI	70% AMI	80% AMI
Moderate	80-120% AMI	90% AMI	110% AMI

Process and Timeline

The kick-off for the Nexus Study was conducted in mid-March 2014. The consultants are currently collecting data regarding newly completed projects and pipeline projects for both residential and commercial developments to conduct the analysis. A draft of the nexus report is anticipated in the Fall 2014 with the final summary anticipated at the end of the calendar year. As the process proceeds, staff may check-in with the City Council as questions arise and/or guidance is needed. An information item on the Nexus Study was prepared for the Housing Commission's May 2014 meeting.

The City's participation in the multi-jurisdictional nexus study will provide the City with the opportunity to make policy decisions about affordable housing. Participation in this effort does not obligate the City to change any of its current policies or practices. However, jurisdictions will have the choice to adopt or modify an impact fee, and to determine the amount of the fee, so long as the fee is below the maximum amount identified in the study.

IMPACT ON CITY RESOURCES

The cost of the Nexus Study is being shared amongst the participants. The City is contributing \$14,300 for both the residential and commercial analysis. Any City-specific request to customize the analysis beyond the agreed upon scope of work would be an additional fee charged on a time and materials basis. The overall cost of the study, including contingencies, is \$206,600. Given the innovative and collaborative approach to the study, part of the overall consultant fee is being offset by the Enterprise Community Partners, Inc., a national Section 501(c)(3) charitable organization that provides expertise for affordable housing and sustainable communities. The group is underwriting up to \$25,000 of the cost of the study. In addition, the Metropolitan Transportation Commission (MTC) is providing a \$10,000 Housing and Urban Development (HUD) grant towards the study. Ultimately, the City Council will determine whether to modify and/or adopt new inclusionary or affordable housing impact fee programs. The dwelling units resulting from inclusionary zoning and the collection of impact fees would increase the City's ability to provide affordable housing in the community.

POLICY ISSUES

As stated earlier, the need for affordable housing in the region is a continuing issue. How to address and respond to this unmet need is a policy question for the City Council. If the Council determines that updating the inclusionary zoning and affordable housing impact fees are appropriate, part of that decision will include a discussion on what income level to target. Currently, the City's BMR Guidelines establish the initial selling price of a for-sale affordable unit to what is affordable to households with incomes at 110 percent of the median income related to household size as established by HCD for San Mateo County.

As a separate, but related matter, staff will be bringing additional policy questions related to potential changes to the BMR Guidelines that are necessary for consistency with implementation of the Housing Element, including amendments to the Guidelines to address State Density Bonus Law and the Affordable Housing Overlay Zone. In addition, changes will need to be made to allow for the prioritization of funds for non-profit development of workforce rental housing affordable to low and very low income households on sites the City has determined to be viable for Low Income Housing Tax Credits per the 2012 Settlement Agreement related to the Housing Element. Staff plans to bring these changes forward following the completion of the Nexus Study.

ENVIRONMENTAL REVIEW

This informational item is not subject to environmental review.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, at least 72 hours prior to the meeting, with this agenda item being listed. Staff will be creating a project webpage that will be updated as information becomes available about the study and potential changes to the BMR Ordinance and BMR Guidelines. Similar to other project webpages, interested persons may subscribe to the page and receive email bulletins. Staff will also proactively advise potential groups such as the Chamber of Commerce and developers about the Nexus Study through the project page.

ATTACHMENT

A. Scope of Work Outline

Report prepared by:
Deanna Chow
Senior Planner

Report reviewed by:
Justin Murphy
Development Services Manager

Grand Nexus Study

Outline of Scope of Work

Task 1. Project Initiation

- Collect background data from 21 Elements and City Staff and review relevant nexus studies.
- Kick-off meeting.

Task 2. Affordability Gap Calculation

- Affordability gap is defined as the difference between what households (renters and owners) can afford to pay and the cost of new units.
- Housing affordability will be the same for all jurisdictions, calculated based on San Mateo County estimated incomes.
- Because market-rate housing prices vary in each jurisdiction, the affordability gap will be calculated individually for each jurisdiction. This makes the findings on the affordability gap more accurate and more defensible from a legal perspective.

Task 2 Deliverable: Concise technical memorandum containing draft tables summarizing the affordable housing gap for renters and owners.

Task 3. Residential Nexus Study

- The residential nexus study will estimate the increase in demand for affordable housing associated with new residential development.
- The first step will be to determine the type of new development likely to occur in each jurisdiction based on a review of newly completed and pipeline projects. Based on the rents and sales prices of these projects, the team will calculate the household incomes of new households.
- The primary driver for this increase in demand for affordable housing is the growth in expenditures for goods and services, which would generate new jobs. The number and wages of jobs associated with new households is then estimated using an economic model (IMPLAN). Based on the wages of these jobs, the household income of employee households will be calculated.
- The **aggregate** housing affordability gap is estimated by multiplying the number of households that earn lower wages by the average affordability gap estimated in Task 2.
- The aggregate housing affordability gap is divided by the number of housing units in each prototype. This figure defines a maximum per unit fee amount.
- The Nexus Study provides estimates of the maximum fee that can be charged, but jurisdictions have choice about the actual fee to adopt, as long as the fee is below the maximum.
- Fees can be defined on either a unit basis or a square foot basis.

Task 3 Deliverables: Technical memorandum on housing impact fees with summary tables and methodology appendix.

Task 4. Commercial Linkage Fee Nexus Study

- The purpose of a Commercial Linkage Fee Nexus Study is to estimate the increase in demand for affordable housing that accompanies new non-residential development.
- Based on commercial prototypes and industry standards of employment densities, it is possible to estimate employment growth associated with each property prototype.
- Again, like the residential nexus calculations, some of these new jobs pay wages that are too low to afford market-rate housing.
- The remaining research steps are the same as for the residential nexus study.
- Fees are defined on a square foot basis.
- Similar to the residential impact fee, the actual commercial linkage fee that a jurisdiction adopts is based on financial considerations, as well as other factors.

Task 4 Deliverables: Technical memorandum on Commercial Linkage Impact Fees with summary tables and methodology appendix.

Task 5. Meetings with 21 Elements Staff and Stakeholders

- Discuss findings and recommendations.

Task 6. Prepare Draft and Final Reports

- A sample report will be prepared for one jurisdiction to serve as a model.
- Nexus study reports will be prepared for each jurisdiction participating in the study.
- A summary report will also be prepared that is user-friendly and easily understood by a wide audience, providing an overview of the results for all the jurisdictions.

Task 6 Deliverables: Sample nexus study report, draft nexus reports and final nexus reports for all participating jurisdictions. Draft and final summary reports. All work products to be delivered electronically.

Task 7. Meeting with 21 Elements Staff

Optional (Unfunded) Tasks

- Attend public hearings
- Support and specific recommendations to individual jurisdictions
- Excel models



COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: June 3, 2014
Staff Report #: 14-104

Agenda Item #: I-2

INFORMATIONAL ITEM: Update on Consultant Selection Process for the General Plan Update and M-2 Area Zoning Update

RECOMMENDATION

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

ANALYSIS

On February 22, 2014, the Council authorized staff to issue a Request for Proposal (RFP) for consultant services. The City received proposals from the following five lead consultants, each of which assembled teams of highly qualified firms from various disciplines:

- Dyett & Bhatia
- MIG
- Mintier Harnish
- PlaceWorks (formerly The Planning Center|DC&E)
- Raimi + Associates

The proposals have been available for review at the City offices and on the City website since early April 2014.

In order to assist in the screening process, the Council formed a Consultant Selection Advisory Panel (Panel) comprised of the following members:

- Mayor Mueller (General Plan Update Subcommittee Member);
- Council Member Ohtaki (General Plan Update Subcommittee Member);
- Planning Commission Chair Kadvan (As recommended by the Planning Commission on January 27, 2014);
- Former Planning Commissioner Riggs (As recommended by the Planning Commission on January 27, 2014);
- City Manager McIntyre;
- Community Development Director Heineck; and
- Public Works Director Taylor.

The Panel held two meetings, both of which were open to the public and provided opportunities for public comment. On April 9, 2014, the Panel interviewed all five firms.

At the conclusion of the interviews, the Panel identified Dyett & Bhatia and PlaceWorks as the top two firms for further consideration. City staff then conducted second round interviews and reference checks. At the conclusion of these activities, staff reported its findings at a Panel meeting on May 28, 2014. Although both consultant teams were highly qualified, the Panel reached a consensus that the firm best suited for this assignment is PlaceWorks due to its ability to lead a community driven process coupled with its technical expertise.

Staff is now working with PlaceWorks to refine its proposal and establish a scope of work for the City Council's consideration as a regular business item on June 17, 2014. The more substantial refinements include the following:

- Cost:
 - Decreasing the cost through a reduction in the number of hours and elimination of certain tasks (see below).
 - Targeting a budget of \$1.5 million plus a 10 percent contingency subject to City Manager approval.
- Team composition:
 - Team members from the original proposal include TJKM (transportation modeling), BAE (economic & fiscal) and Jill Johnson | Knapp Architects (historic resources), all of which worked on the recent updates to the Housing Element and Open Space, Conservation, Noise and Safety Elements.
 - Nelson\Nygaard has been added to the team to lead transportation policy issues.
 - GHD is no longer part of the team since a Water Supply Assessment is not required for General Plan Updates. In addition, the City and CalWater will be updating their respective Urban Water Management Plans in 2015 and the preparation of these documents can be coordinated with the General Plan Update process.
 - Environmental Collaborative will replace TRA Environmental Services as the biological sub-consultant due to TRA Environmental Services' work on the Stanford University Habitat Conservation Plan.
- Tasks:
 - Pursue the inventory of existing community character on a neighborhood-by-neighborhood basis as part of the existing conditions/background report of the General Plan, but not pursue a distinct Community Character Element (Task 3.4) of the General Plan at this time. Information collected would be used to inform potential Land Use and Circulation Element policies.
 - Elimination of discrete Economic Working Group (Task 2.8.b), and instead rely on the General Plan Advisory Committee or an existing City body, such as the Finance and Audit Committee.
 - Elimination of many of the optional tasks such as Workshop for Youth (Task 2.14.a), Social Media discreet from existing City tools such as Facebook and Twitter (Task 2.14.b), and Design Guidelines for M-2, while still including Design Standards (Task 3.5.h).

- Reduce the number of hours associated with the preparation of the Environmental Impact Report (Task 3.6) and the preparation of the Historic Resource analysis (Tasks 3.4 and 3.6).

In order to provide an extended period of time for public review and comment of the revised scope of work as compared to the original proposal, staff intends to release the staff report and draft scope of work for the June 17 Council meeting earlier than normal, either on Friday, June 6 or Monday, June 9.

IMPACT ON CITY RESOURCES

The proposed work program would require both staff resources dedicated to the project, as well consultant services. The Council has budgeted \$2,000,000 for Fiscal Year 2013-14 for the General Plan Update for consultant assistance and staff time. Dependent on the scope of the work program, additional funding may be necessary in future years. Similar to the El Camino Real/Downtown Specific Plan, staff will explore options for a potential fee that could be imposed as a way to reimburse the City for the expenditure related to a specific geographic area. In addition, staff will explore a General Plan maintenance fee in order to achieve cost recovery for the cost of updating and maintaining the General Plan Citywide over the long term.

POLICY ISSUES

The General Plan and M-2 Zoning update process will consider a number of policy issues.

ENVIRONMENTAL REVIEW

The General Plan and M-2 Zoning update is subject to the California Environmental Quality Act (CEQA) and an Environmental Impact Report (EIR) will be prepared at the appropriate time in the process.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, at least 72 hours prior to the meeting, with this agenda item being listed. In addition, the City sent an email update to subscribers of the General Plan Update project page. This page provides up-to-date information about the project, allowing interested parties to stay informed of its progress and allow users to sign up for automatic email bulletins, notifying them when content is updated or meetings are scheduled. The page is currently available at the following location: <http://www.menlopark.org/739/General-Plan-Update>.

Report Prepared by:

Justin Murphy

Development Services Manager

Report Reviewed by:

Arlinda Heineck

Community Development Director

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OFFICE OF THE MAYOR

Council Meeting Date: June 3, 2014
MEMO

Agenda Item #: I-3

INFORMATIONAL ITEM: **Memorandum of Understanding on Friendship Cooperation between the City of Menlo Park and Changping District, Beijing, the People's Republic of China**

Mayor Mueller has requested this item be placed on the agenda for review and consideration by Council. Supplemental information on this item will be distributed separately, prior to the Council meeting.

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**Memorandum of Understanding on Friendship Cooperation
between
the City of Menlo Park, California, USA and
Changping District, Beijing, the People's Republic of China**

The City of Menlo Park, California, USA and Changping District, Beijing, the People's Republic of China would like to establish closer cooperation and information exchanges between the two parties in the following areas in order to increase mutual understanding and friendship between the two peoples and promote common prosperity.

After friendly discussions, both parties wish to record their understanding to cooperate, subject to agreement, in the following areas:

- Urban construction and administration
- Eco-environment protection
- Tourism
- Education and culture
- All the other possible areas for cooperation

The appointed department of the City of Menlo Park, California, USA and Foreign Affairs Office of Changping District People's Government of Beijing Municipality will be responsible for regular coordination and consultation between the two sides on behalf of their governments respectively.

This Memorandum of Understanding only states the intentions and understanding of the Parties for cooperation in good faith. It has no legitimate legally binding force.

This MOU is signed in _____ (place) on _____ (date) and comes into effect from the date of signing. Both English and Chinese versions of this document are equally valid.

Authorized Signatory
City of Menlo Park, California, USA

Authorized Signatory
Changping District, Beijing,
The People's Republic of China

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OFFICE OF THE MAYOR

Council Meeting Date: June 3, 2014
MEMO

Agenda Item #: I-4

INFORMATIONAL ITEM: **Memorandum of Understanding Supporting a Prosperous Sister City Relationship between the City of Menlo Park and Luan in Anhui Province, People's Republic of China**

Mayor Mueller has requested this item be placed on the agenda for review and consideration by Council. Supplemental information on this item will be distributed separately, prior to the Council meeting.

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MEMORANDUM OF UNDERSTANDING

FOR SUPPORTING THE ESTABLISHMENT OF A PROSPEROUS SISTER CITY
RELATIONSHIP BETWEEN THE CITIES OF
Menlo Park in the State of California in the USA
AND
Luan in Anhui Province, People's Republic of China

WHEREAS the City of Menlo Park and the City of Luan desire to have a Sister City relationship effective on June __, 2014 to cooperate for the economic development of their cities and the prosperity of their residents; and

WHEREAS on the basis of equality, mutual benefit and cooperation, the residents of the City of Menlo Park and City of Luan will be continuously strengthened and have greater prosperity through friendly cultural, learning, and business exchanges; and

WHEREAS friendly and cooperative economic relationships between the two have the potential to "open doors" to successful and long lasting business relationships between companies in the communities, which can in turn create jobs and other mutual benefits to the two communities;

NOW, THEREFORE, IT IS AGREED that the City of Menlo Park and the City of Luan agree to form a Sister City relationship to encourage and assist prosperous economic relations between local business enterprises in the two cities. The cities may cooperate in all areas of economic development, including the following:

- To strengthen the exchanges and cooperation of the business sector in all economic areas, particularly in technology
- To encourage exchanges and business relationships between members of the business community and of associations representing the business community.
- To create jobs for their residents.

This MOU is written in duplicate in the English and the Chinese languages, both texts being equally authentic.

Raymond Mueller
Mayor, City of Menlo Park
State of California, USA

Xiaobin Bi
Mayor, City of Luan, Anhui Province
People's Republic of China

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